DOCUMENT RESUME

ED 409 669 EC 305 711

AUTHOR	Parrish, Thomas B.; And Others
TITLE	State Special Education Finance Systems, 1994-95.
INSTITUTION	American Institutes for Research in the Behavioral Sciences, Palo Alto, CA. Center for Special Education Finance.
SPONS AGENCY	Special Education Programs (ED/OSERS), Washington, DC.
PUB DATE	Jun 97
NOTE	115p.
CONTRACT	H159520002
AVAILABLE FROM	Center for Special Education Finance, American Institute for Research, 1791 Arastradero Road, P.O. Box 1113, Palo Alto, CA 94302; telephone: 415-493-3550 ext.240; fax: 415-858-0958.
PUB TYPE	Reports - Descriptive (141)
EDRS PRICE	MF01/PC05 Plus Postage.
DESCRIPTORS	Accountability; Administrators; *Cost Effectiveness; *Disabilities; *Educational Finance; Efficiency; Elementary Secondary Education; Financial Support; National Surveys; School Districts; *Special Education; *State Aid; State Programs
IDENTIFIERS	*Funding Formulas

ABSTRACT

This report is the result of a 1995 national mail survey of state special education administrators concerning mechanisms used by states to fund special education services for school-age children with disabilities and the costs to provide these services. All 50 states and the District of Columbia responded to the survey. Part 1 contains three sections that provide descriptive information on the special education finance systems in the states and the policies that guide them, special education revenues and expenditures, and a conclusion addressing the implications of the data. Among these are that growth of the special education population is at a faster rate than the general education population; a shift is occurring from state to increased local funding; and current interest in restructuring education suggests increased efforts to improve the effectiveness of programs for children with disabilities while containing expenditures. Possibilities for increasing efficiency are identified (such as increasing integration across categorical program areas) as are fiscal policies that conflict with reform goals and accountability issues. Part 2 of the report provides abstracts of each state's funding mechanism (arranged alphabetically by state)for the 1994-95 school year. Extensive tables and figures present supporting detail. An appendix lists special education funding contacts in each state. Contains 25 references. (DB)

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State Analysis Series

State Special Education Finance Systems, 1994–95

Thomas B. Parrish, Fran O'Reilly, Ixtlac E. Dueñas, and Jean Wolman

June 1997

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Center for Special Education Finance

State Special Education Finance Systems, 1994–95

Thomas B. Parrish, Fran O'Reilly, Ixtlac E. Dueñas, and Jean Wolman

June 1997

The Center for Special Education Finance (CSEF) is part of the John C. Flanagan Research Center at the American Institutes for Research (AIR), Palo Alto, California.

The Center for Special Education Finance (CSEF) is supported through a cooperative agreement with the U.S. Department of Education, Office of Special Education Programs (H159520002). Points of view or opinions expressed in this paper do not necessarily represent the official agency positions of the U.S. Department of Education or our network of advisors and professional organizations.

EC 305711

The Center for Special Education Finance (CSEF) was established in October 1992 to address a comprehensive set of fiscal issues related to the delivery and support of special education services to children throughout the U.S. The Center's mission is to provide information needed by policymakers to make informed decisions regarding the provision of services to children with disabilities, and to provide opportunities for information sharing regarding critical fiscal policy issues.

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Acknowledgments

The Center for Special Education Finance (CSEF) wishes to thank the many individuals and State Education Agencies who contributed to this document. Its completion was a collaborative effort of many individuals within and beyond CSEF. We particularly appreciate the cooperation and patience of special education administrators in each state, who were instrumental in providing and clarifying the required survey information, both during the initial 1994–95 data collection and during the 1996 follow up.

CSEF also would like to acknowledge the National Association of State Directors of Special Education (NASDSE) and its Executive Director, Martha Fields, for endorsing and forwarding our finance survey to the states and for obtaining follow-up data. Similarly, we thank Marsha Brauen and Frances Gragg at Westat, Inc., and Michele DeSera, consultant and former state director of special education in Pennsylvania, for providing data for this report.

We wish also to acknowledge the work of our consultant and co-author, Fran O'Reilly, and three CSEF staff members, whose help was essential for completing this document—in particular, Brian Hilton for follow-up data collection, and Molly Kiely and Shannon Daugherty for production and administrative support.

Finally, CSEF values the ongoing assistance of Lou Danielson, Scott Brown, and Ernie Hairston, our support team at the Office of Special Education Programs (OSEP), U.S. Department of Education.

The views expressed in this document are those of the author and editors and do not necessarily represent the views of the U.S. Department of Education.

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Introduction

The Center for Special Education Finance (CSEF), one of several research centers funded by the Office of Special Education Programs (OSEP), U.S. Department of Education, provides policymakers and administrators at all governmental levels with data, analyses, expertise, and opportunities to share information about special education finance issues. One activity designed to address this broad objective is collection and dissemination of information on state systems of special education finance. In Spring 1995, CSEF staff conducted a national mail survey of state special education administrators to obtain information on the mechanisms used by states to fund special education services for school-age children with disabilities and the costs to provide these services. All 50 states and the District of Columbia responded to the survey. To obtain additional data, CSEF conducted a follow-up survey, in spring 1996, of the 24 states that had been able to provide data on special education costs for the 1994–95 school year.

This document summarizes results from the CSEF survey, describing state systems for financing special education services for school-age children with disabilities during the 1994–95 school year. It is the fourth in a series of similar reports produced previously by CSEF or the National Association of State Directors of Special Education (NASDSE, 1982; O'Reilly, 1989; O'Reilly, 1993).

This report includes two major components. Part I contains three sections that provide descriptive information on the special education finance systems in the states and the policies that guide them, special education revenues and expenditures, and a conclusion that addresses the implications of the data presented. Part II contains an abstract of each state's special education funding mechanism for the 1994–95 school year.

CSEF recognizes that states are continuously engaged in addressing issues of school finance and funding and that this document provides only a cross-sectional view of state special education finance systems as they existed at the time of its survey. Information provided by respondents about upcoming changes to state finance systems is included in the abstracts that comprise Part II

of this document. In addition, the entire document, along with selected tables, may be downloaded from CSEF's World Wide Web page:

http://www.air-dc.org/csef_hom

An appendix to this report provides a list of state agencies and staff that provided information about their state's funding approach for the CSEF 1994–95 survey.

I. State Special Education Finance Systems

1. State Special Education Funding Formulas

Under the Individuals with Disabilities Act (IDEA), states have primary responsibility for providing special education programs and services to school-age children with disabilities. Indeed, it is estimated that states provide more than half the fiscal resources required to support these programs. In distributing state special education aid to local school districts, more than half the states (n = 27) use an allocation system that is separate from funding for other education services. Twenty-one states distribute special education revenues as part of the general education aid formula, and the remaining two states distribute funds for special education as part of a formula that includes funding for other categorical programs such as bilingual education.

The following section describes the mechanisms used by states to distribute special education aid to local school districts for school-age children with disabilities for the 1994–95 school year. Subsequent pages discuss the forces driving current efforts to change these mechanisms.

Types of State Funding Formulas

The formulas used by states to distribute funds for special education services are complex and unique. Although a number of frameworks for classifying state special education funding approaches have been suggested over the past two decades, there is much overlap among categories and substantial variation among states' funding formulas within categories. CSEF has nonetheless elected to classify state funding formulas into four broad categories in order to simplify and provide useful distinctions among various funding alternatives and options for funding reform (see Table 1-1). In reality, state funding formulas often utilize a combination of these approaches, as detailed in the state funding abstracts at the end of this report.

Following are brief descriptions of each type of funding formula, with an example of a formula from a representative state.

Pupil Weights

Under a weighted special education funding system, state special education aid is allocated on a per student basis. The amount of aid is based on the funding "weight" associated with each student. For example, Oregon applies a single funding weight of 2.0 to all eligible special education students in the state. This means that the amount of state aid for every special education student in a district is two times that received for a general education student in that district. However, most weighting systems provide more funding for those students who are expected to cost more to serve by assigning those students a larger weight. These weight differentials are based on *expected* costs because they may not hold true for any one student. Funding weights are differentiated on the basis of student placement (e.g., pull-out, special class, private residential), disability category (as shown below for Georgia), or some combination of the two.

An Example: Georgia's Pupil "Weighting" System

Georgia administers a weighted pupil formula, Quality Basic Education (QBE) funding, to distribute funds for all instructional programs, including special education. QBE funds are generated by multiplying the number of full-time equivalent (FTE) students in various types of instructional programs by program weights. The weighted FTEs are then multiplied by a base program amount established annually by the legislature. The program weights are reviewed triennially by a task force appointed by the Governor. For 1994–95, the special education program weights are as follows:

- Category I: Self-Contained Specific Learning Disabled and Self-Contained Speech-Language Disordered 2.27
- Category II: Mildly Mentally Handicapped 2.620
- Category III: Behavior Disordered, Moderately Mentally Handicapped, Severely Mentally Handicapped, Resourced Specific Learning Disabled, Resourced Speech-Language Disordered, Self-Contained Hearing Impaired and Deaf, Self-Contained Orthopedically Handicapped, and Self-Contained Other Health Impaired 3.320
- Category IV: Deaf-Blind, Profoundly Mentally Handicapped, Visually Impaired and Blind, Resourced Hearing Impaired and Deaf, Resourced Orthopedically Handicapped, and Resourced Other Health Impaired 5.541

Additional funds are provided to districts to pay the state minimum salaries, based on the training and experience of the district's certificated professional personnel in each instructional program.

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■ Flat Grant

Under this system, funding is based on a fixed funding amount per student. As shown below for North Carolina, total state funding available for special education is divided by the special education count for the state to determine the amount of state aid to be received by districts per special education student. A variation to this approach is based on the total number of students in a district, rather than the number of special education students.[1] This "census-based" approach is discussed in greater detail later in this report.

An Example: North Carolina's Flat Grant Approach

In North Carolina, state funds for special education are additional to basic education aid, which is based on average daily membership of school districts. Funds for exceptional education (which include both special education and programs for the academically gifted) are distributed on a per child basis determined by dividing the total available state exceptional children funds by the April 1 student headcounts of disabled and academically gifted students. Each district's allocation is determined by multiplying the per child amount by the total count of exceptional students.

The counts of exceptional children with disabilities in each local school district are limited to 12.5 percent of the average daily membership and 3.9 percent for academically gifted.

[1] Federal funding under the IDEA has been based on a flat grant system, in which federal aid to states is based on each state's number of children with disabilities who are receiving special education programs and services, up to 12 percent of a state's school-age population. Under the IDEA Amendments of 1997 (P.L. 105-17), funding will continue to be based on the same child-count formula until appropriations reach approximately $4.9 billion. At this point, a new formula based on total student enrollment (85 percent) and poverty (15 percent) will apply to new monies in excess of the appropriation for the prior fiscal year, subject to certain limitations.

■ Resource-based

Funding is based on an allocation of specific education resources, such as teachers or classroom units. Unit rates are often derived from prescribed staff/student ratios by disability condition or type of placement. Resource-based formulas include unit and personnel mechanisms in which distribution of funds is based on payment for specified resources, such as teachers, aides, or equipment. In the case of Missouri, allocations are awarded based on an approved number of teachers, professional staff members other than classroom teachers, and aides.

An Example: Missouri's Resource-based Special Education Funding System

Missouri distributes funds for special education programs based on a flat grant per approved class of students. Funds received for special education programs are in addition to the amount received from the basic per child foundation program. In 1994–95, special education funds were distributed as follows:

- $14,050 for each approved class of children
- $7,340 for each professional staff member other than classroom teachers
- $3,670 for each full-time teacher aide
- $1,530 for each homebound student
- One dollar for each child under 21 enumerated on the annual census of students with handicaps
- 3 to 4-year-old programs reimbursed at 100 percent of approved cost

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Percent Reimbursement

Under a percent reimbursement system, the amount of state special education aid a district receives is directly based on its expenditure for this program. Districts may be reimbursed for 100 percent of their program expenditures, as shown below for Rhode Island, or for some lesser percentage (e.g., 85 percent in Wyoming). Usually there is some basis for determining what costs are and are not allowable, and there may be overall caps on the number of students who can be claimed for funding purposes.

An Example: Rhode Island's Percent Reimbursement System

Rhode Island administers a formula designed to support 100 percent of all the additional or excess costs incurred in educating special education students. The program (1) calculates the average costs of educating students for each district; (2) calculates the per pupil cost for educating special education students in ten special education program placements (and for transportation and support services); (3) subtracts out the average per pupil costs and assigns those expenses to be reimbursed in operations aide; and (4) allows as reimbursable expenses the additional or excess costs which fall within 110 percent of the state median cost in that program placement for that particular year. The program uses full-time equivalents of special education students as the student count; student cost data is based on a two-year reference.

Each district's full entitlement is calculated using the process described above, and is ratably reduced if the program is not fully funded through the state budget process. In fiscal year 1994, this program was funded at 50 percent of its full amount.

As shown in Table 1-1, almost 40 percent of the states (n = 18) have formulas based *primarily* on pupil weights. The remaining states are fairly evenly distributed across flat grant (n = 10), percentage reimbursement (n = 11) formulas, and resource-based (n = 10) formulas during the 1994–95 school year.

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Table 1-1. State Special Education Funding Systems and Reform, 1994–95

State	Current Funding Formula	Basis of Allocation	State Special Ed $ for Target Population Only	Implemented Reform Within Last 5 Years	Considering Major Reform
Alabama	Flat Grant	Special Ed. Enrollment	✔	✔	✔
Alaska	Pupil Weights	Type of Placement			✔
Arizona[1]	Pupil Weights	Disabling Condition			✔
Arkansas	Pupil Weights	Type of Placement	✔		✔
California	Resource-Based	Classroom Unit	✔		✔
Colorado	Flat Grant	Special Ed. Enrollment	✔	✔	
Connecticut	% Reimbursement	Actual Expenditures			✔
Delaware	Resource-Based	Classroom Unit	✔		✔
Florida	Pupil Weights	Disabling Condition			✔
Georgia	Pupil Weights	Disabling Condition	For 90% of funds		✔
Hawaii	Pupil Weights	Placement & Condition			
Idaho	% Reimbursement	Actual Expenditures	✔	✔	
Illinois	Resource-Based	Allowable Costs		✔	✔
Indiana	Pupil Weights	Disabling Condition			✔
Iowa	Pupil Weights	Type of Placement			✔
Kansas	Resource-Based	No. of Special Ed. Staff	✔		
Kentucky	Pupil Weights	Disabling Condition		✔	
Louisiana	% Reimbursement	Actual Expenditures	✔	✔	✔
Maine	% Reimbursement	Allowable Costs	✔		✔
Maryland	Flat Grant	Special Ed. Enrollment			✔
Massachusetts	Flat Grant	Total District Enrollment		✔	
Michigan	% Reimbursement	Allowable Costs	✔		✔
Minnesota	% Reimbursement	Actual Expenditures	✔		✔
Mississippi	Resource-Based	No. of Special Ed. Staff	✔		
Missouri	Resource-Based	No. of Special Ed. Staff	✔	✔	✔
Montana	Flat Grant	Total District Enrollment		✔	
Nebraska	% Reimbursement	Allowable Costs	✔		✔
Nevada	Resource-Based	Classroom Unit	✔		
New Hampshire	Pupil Weights	Type of Placement			✔
New Jersey	Pupil Weights	Placement & Condition			
New Mexico	Pupil Weights	Services Received			✔
New York	Pupil Weights	Type of Placement	✔		✔
North Carolina	Flat Grant	Special Ed. Enrollment	✔		✔
North Dakota	Flat Grant	Total District Enrollment		✔	
Ohio	Resource-Based	Classroom Unit			✔
Oklahoma	Pupil Weights	Disabling Condition			
Oregon	Pupil Weights	Special Ed. Enrollment		✔	
Pennsylvania	Flat Grant	Total District Enrollment		✔	
Rhode Island	% Reimbursement	Actual Expenditures			✔
South Carolina	Pupil Weights	Disabling Condition	For 85% of funds		
South Dakota	% Reimbursement	Allowable Costs	✔		✔
Tennessee	Resource-Based	Classroom Unit			✔
Texas	Pupil Weights	Type of Placement	✔	✔	
Utah[2]	Pupil Weights	Type of Placement	✔	✔	
Vermont[3]	Flat Grant	Total District Enrollment		✔	
Virginia	Resource-Based	Classroom Unit			
Washington	Pupil Weights	Special Ed. Enrollment	✔	✔	
West Virginia	Flat Grant	Special Ed. Enrollment	✔		
Wisconsin	% Reimbursement	Allowable Costs	✔		
Wyoming	% Reimbursement	Actual Expenditures			✔

Table Key

Pupil Weights: Funding allocated on a per student basis, with the amount(s) based on a multiple(s) of regular education aid.
Resource-based: Funding based on allocation of specific education resources (e.g., teachers or classroom units). Classroom units are derived from prescribed staff/student ratios by disabling condition or type of placement.
% Reimbursement: Funding based on a percentage of allowable or actual expenditures.
Flat Grant: A fixed funding amount per student or per unit.

[1]Formula also contains a substantial flat grant allocation for selected disabling conditions.
[2]Formula amounts are now frozen and are based on allocations in prior years.
[3]Vermont's special education funding formula also contains a substantial percent reimbursement component.

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Basis of Funding Allocation

In addition to formula type, Table 1-1 shows the basis on which the funding allocation is made. Within the context of the basic funding formula used, the allocation basis sheds further light on state special education policies and priorities. For example, allocations based on student placement tend to provide local decisionmakers with less flexibility, while allocations based on more general criteria such as total district enrollment are likely to provide more local discretion in the identification and placement of students with disabilities. In fact, by using total district enrollment as a basis for funding (described further in the next section) states are, at least to some degree, choosing to de-link funding from student identification and placement.

CSEF has used the following allocation categories to classify state funding systems:

- **Special education enrollment**—The number of children identified as eligible for special education services and for which Individual Education Programs (IEPs) are in place is the basis of allocation.

- **Total district enrollment**—Funding is based on the total number of students in the district. A percentage of this total district enrollment is assumed to represent the special education population. Also referred to as "census-based" funding, this uniform identification rate serves as the basis for allocation.[2]

- **Type of placement**—Student placement (e.g., in a regular education classroom, a resource room, a special day class, a residential program) is the basis for allocation. The allocation generally increases as a function of some standardized estimate of the cost of the service or placement.

- **Disability category**—The nature of each student's disability (e.g., learning disability, serious emotional disturbance, profound mental retardation) is the basis for allocation. The allocation generally increases as a function of standardized estimates of the cost of the service required for children within each disability category. Georgia's pupil weighting system, for example, functions in this way.

[2] The federal government has also incorporated a census-based approach into its special education funding formula, under the recently reauthorized IDEA. (See previous footnote.).

- **Classroom unit**—Districts generate funds based on a number of authorized units. A unit of funding may incorporate part or all of the estimated cost of a teacher, or a teacher and an aide. The classroom unit is one component of Missouri's resource-based funding system.

- **Actual expenditures**—Allocation is based on actual special education expenditures.

- **Allowable costs**—Reimbursement can only be claimed for allowable costs, as defined, reviewed, and approved by the state.

- **Number of special education staff**—Allocation is based on the state numbers of various types of authorized staff (e.g., teachers, aides, therapists). Missouri's funding system reimburses districts for numbers of aides and professional staff other than classroom teachers.

- **Services received**—Allocation for each child is determined from unit rates associated with the mix and quantity of individual services received (e.g., instruction, therapy, transportation).

Census-based Funding: A Closer Look

One emerging trend at the federal and state level is to use total district enrollment as the basis for allocating special education funds to school districts. "Census-based" funding systems are based on total enrollment rather than on special education counts. For example, under a state census-based funding system, districts with identical student enrollments receive the same special education aid regardless of the number of students placed in the program, the disabilities of these students, where they are placed, or how they are served.

Proponents of census-based funding believe that it provides maximum discretion to local districts in identification and placement of students with disabilities since it eliminates identification as a basis for funding and severs the link between placement and funding.

Massachusetts, Montana, North Dakota, Pennsylvania, and Vermont have implemented census-based funding systems in an attempt to remove fiscal incentives for identifying special education students. Under such a system, the amount of state special education aid provided to a district is based on the total district enrollment rather than the number of students specifically identified for special education. Although advocates for such systems sometimes praise them

as being incentive-free,[3] critics point out that such systems simply replace one set of incentives with another (i.e., to identify *fewer* students for special education services and to place them in *lower cost* programs). They also argue that census-based funding does not accommodate variability that might exist among school districts based on true student need.

A recent court case involving issues of funding equity raises other questions about census-based funding. Since 1972, Alabama has used total student enrollment as the basis for funding special education. In 1993, a lower court decision, later affirmed by the Supreme Court, struck down the Alabama funding system as inequitable and inadequate. The Court's rationale was that the census-based system would result in inequities as long as the percentages of special education students vary across local school systems. In essence, the Court said that the system was not based on the needs of special education students, did not take into account the number or cost of educating those children, and penalized school systems that try to serve students with disabilities. Specifically, the Court noted that:

> . . . state officials have forthrightly acknowledged the stark disparities in the opportunities provided to disabled children of the State that are directly attributable to the wealth of the school system these students attend.[4]

Nonetheless, anecdotal evidence suggests some positive effects of enrollment-based funding systems, including increased local discretion in identification of students who are eligible for special education. In fact, several states that have adopted such a system have reported decreases in the number of students identified as eligible for special education services. Not as easily supported is the widespread belief that these systems increase flexibility in student placements and will therefore lead to decreases in the proportion of students served in separate settings, particularly in states where accompanying programmatic reform has not occurred. In Massachusetts, for example, program requirements still mandate that special education students be classified according to one of several placement categories (e.g., resource services, substantially separate environment). In addition, a separate funding mechanism is still in place in the state for private special education placements. Thus, the census-based funding

[3] See for example, National Association of State Boards of Education (NASBE, 1992).

[4] See Verstegen (1997 forthcoming) regarding *The Alabama Coalition for Equity Inc. vs. Hunt; Harper v. Hunt* (1993).

policy in Massachusetts may be less likely to affect placement practices. This situation exemplifies the general tenet that fiscal reform that is not clearly linked to program reform may not achieve desired policy goals.

Criteria for Evaluating Funding Formulas

Criteria for evaluating special education funding formulas, as suggested by Hartman (1992) and expanded by Parrish (1995) appear in Table 1-2. Each of these criteria will hold value for some constituency, although there will be differences in priorities. No single funding formula can easily accommodate all of these criteria. As Parrish (1995) has noted, "a focus on one criterion may come at the expense of one or more of the others."

CSEF asked states to evaluate their special education funding formulas according to these 14 criteria. Tables 1-3 and 1-4 display the strengths and weaknesses, respectively, reported by respondents to the CSEF survey. Two major weakness reported across all formula types are the absence of a link between funding and student outcomes (n = 28), and lack of adequate funding (n = 26). The data can be viewed in a variety of ways to bolster theoretical arguments about the advantages and disadvantages of each type of funding formula.

For example, among the 10 states currently using a ***flat grant approach,*** more than half reported as major strengths that the formula does not encourage overidentification of students for special education, that it is not linked to where students receive services, and that it is understandable. Major weaknesses of flat grant formulas included that they are not adequately funded, they are not linked to student outcomes, and they are not based on actual costs.

Table 1-2. Criteria for Evaluating State Special Education Funding Formulas

Understandable

- The funding system and its underlying policy objectives are understandable by all concerned parties (legislators, legislative staff, state department personnel, local administrators, and advocates).
- The concepts underlying the formula and the procedures to implement it are straightforward and "avoid unnecessary complexity."

Equitable

- Student equity: Dollars are distributed to ensure comparable program quality regardless of district assignment.
- Wealth equity: Availability of overall funding is not correlated with local wealth.
- District-to-district fairness: All districts receive comparable resources for comparable students.

Adequate

- Funding is sufficient for all districts to provide appropriate programs for special education students.

Predictable

- Local education agencies (LEAs) know allocations in time to plan for local services.
- The system produces predictable demands for state funding.
- State and local education agencies can count on stable funding across years.

Flexible

- Local agencies are given latitude to deal with unique local conditions in an appropriate and cost-effective manner.
- Changes that affect programs and costs can be incorporated into the funding system with minimum disruption.
- Local agencies are given maximum latitude in use of resources in exchange for outcome accountability.

Identification Neutral

- The number of students identified as eligible for special education is not the only, or primary, basis for determining the amount of special education funding to be received.
- Students do not have to be labeled "disabled" (or any other label) in order to receive services.

Reasonable Reporting Burden

- Costs to maintain the funding system are minimized at both local and state levels.
- Data requirements, recordkeeping, and reporting are kept at a reasonable level.

Table 1-2. Criteria for Evaluating State Special Education Funding Formulas (continued)

Fiscal Accountability

- Conventional accounting procedures are followed to assure that special education funds are spent in an authorized manner.
- Procedures are included to contain excessive or inappropriate special education costs.

Cost-Based

- Funding received by districts for the provision of special education programs is linked to the costs they face in providing these programs.

Cost Control

- Patterns of growth in special education costs statewide are stabilized over time.
- Patterns of growth in special education identification rates statewide are stabilized over time.

Placement Neutral

- District funding for special education is not based on type of educational placement.
- District funding for special education is not based on disability label.

Outcome Accountability

- State monitoring of local agencies is based on various measures of student outcomes.
- A statewide system for demonstrating satisfactory progress for all students in all schools is developed.
- Schools showing positive results for students are given maximum program and fiscal latitude to continue producing favorable results.

Connection to General Education Funding

- The special education funding formula should have a clear conceptual link to the general education finance system.
- Integration of funding will be likely to lead to integration of services.

Political Acceptability

- Implementation avoids any major short-term loss of funds.
- Implementation involves no major disruption of existing services.

Adapted from *State Funding Models for Special Education* (Hartman, 1992) and *Removing Incentives for Restrictive Placements* (Parrish, 1994).

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Proponents praise ***pupil weighting systems*** as being closely tied to the resource needs of districts in terms of their specific population of students with disabilities. As such, pupil weighting systems are generally held to be equitable. However, depending on the weighting system used, incentives can be created to misclassify students into specific types of placements or into categories of disability that receive higher reimbursement (e.g., more restrictive settings that receive higher weights). CSEF survey respondents tended to confirm these notions. Of the 19 states using a pupil-weighting formula, more than half indicated that its major strengths include equity, predictability, reasonable reporting burden, and flexibility in the use of resources (see Table 1-3). Forty-seven percent of these states reported weaknesses of such formulas to be that they are not linked to student outcomes and encourage overidentification (see Table 1-4). It should be noted here that only 8 of the 18 states using pupil-weighted funding use student placement as the basis for allocating state funds to school districts (see Table 1-1).

Percentage reimbursement formulas have been reported as the least likely to create incentives to misclassify students, since the label assigned a student does not affect funding. Also, these formulas generally do not provide an incentive for a particular type of student placement. However, they can be administratively burdensome, and result in difficulties with cost control unless cost ceilings are used or the reimbursable percentage is relatively low. This is consistent with the CSEF survey responses reported in Tables 1-3 and 1-4, which show that states using a percentage reimbursement formula (n = 11) consider its major strengths to include that it is based on actual costs, is not linked to where students receive services, and is understandable. Most frequently reported weaknesses of this type of formula include that it is not linked to student outcomes, is not adequately funded, and includes no cost control mechanisms.

Resource-based formulas are generally perceived as easy to administer and free of incentives for overidentification or misclassification of students. Disadvantages of such formulas are that they can be quite complicated and often lack flexibility. Tables 1-3 and 1-4 support these perceptions. Among the 10 states using a resource-based formula, over half reported that its strengths include predictability. In addition, half indicated that their formulas have a reasonable reporting burden and provide fiscal accountability. A significant weakness cited by over half the states is that resource-based formulas are not equitable. Half of these states also indicated that their formulas lacked flexibility in use of resources and were not linked to student outcomes.

Table 1-3. Strengths of Funding Formula: Number and Percentage of States Reporting By Type of Formula

Strengths	Type of Formula: Number (and Percentage) of States Reporting									
	Pupil Weights		Flat Grant		Percentage Reimbursement		Resource-Based		Total	
	(n = 19)	(%)	(n = 10)	(%)	(n = 11)	(%)	(n = 10)	(%)	(n = 50)	(%)
Understandable	6	32%	6	60%	6	55%	3	30%	21	42%
Equitable	11	58%	4	40%	5	45%	3	30%	23	46%
Adequately funded	3	16%	1	10%	3	27%	0		7	14%
Predictable	12	63%	5	50%	5	45%	7	70%	29	58%
Provides flexibility in use of resources	10	53%	5	50%	3	27%	4	40%	22	44%
Does not encourage overidentification	2	11%	8	80%	5	45%	3	30%	18	36%
Has reasonable reporting burden	10	53%	5	50%	5	45%	5	50%	25	50%
Provides fiscal accountability	8	42%	4	40%	5	45%	5	50%	22	44%
Based on actual costs	3	16%	2	20%	9	82%	1	10%	15	30%
Not linked to where services received	5	26%	8	80%	7	64%	2	20%	22	44%
Includes cost control mechanisms	2	11%	3	30%	2	18%	2	20%	9	18%
Linked to student outcomes	2	11%	0		1	9%	0		3	6%

Across all states, respondents reported that the major strengths of current state funding systems were their predictability (n = 29) and reasonable reporting burden (n = 25). Major weaknesses most often reported were that funding is not linked to student outcomes (n = 28), and that special education is not adequately funded (n = 26).

To reduce the limitations and maximize the effectiveness of their funding formulas, many states have enacted or are considering special education finance reform. Table 1-1 illustrates the substantial level of reform activity underway in the states: 28 states were considering reform as of spring 1995, and 16 states had enacted major reforms within the past 5 years. When asked what issues were driving special education finance reform in their states, respondents from 20 states identified more than a dozen factors, as shown in Table 1-5. Cited by at least half of these states were the desire to increase funding equity, provide

flexibility in the use of resources, and create formulas that are understandable. Interestingly, however, about half of the 50 states already have considerable flexibility in the use of special education funds. As shown in Table 1-1, many states do not specifically require that special education dollars be spent on special education students. A later section of this chapter addresses the allowable uses of special education funds in greater detail.[5]

Table 1-4. Weaknesses of Funding Formula: Number and Percentage of States Reporting By Type of Formula

	Type of Formula Number and Percentage of States Reporting									
Weaknesses	Pupil Weights		Flat Grant		Percentage Reimbursement		Resource-Based		Total	
	(n = 19)	(%)	(n = 10)	(%)	(n = 11)	(%)	(n = 10)	(%)	(n = 50)	(%)
Not understandable	8	42%	3	30%	3	27%	3	30%	17	34%
Not equitable	6	32%	4	40%	2	18%	6	60%	18	36%
Not adequately funded	8	42%	8	80%	6	55%	4	40%	26	52%
Unpredictable	2	11%	1	10%	2	18%	1	10%	6	12%
Lacks flexibility in use of resources	3	16%	2	20%	1	9%	5	50%	11	22%
Encourages overidentification	9	47%	1	10%	2	18%	0		12	24%
Has unreasonable reporting burden	3	16%	1	10%	3	27%	2	20%	9	18%
Provides no fiscal accountability	5	26%	3	30%	3	27%	1	10%	12	24%
Not based on actual costs	7	37%	6	60%	1	9%	4	40%	18	36%
Linked to where services received	6	32%	2	20%	1	9%	3	30%	12	24%
No cost control mechanisms	1	5%	2	20%	6	55%	1	10%	10	20%
Not linked to student outcomes	9	47%	7	70%	7	64%	5	50%	28	56%

[5] See also *Removing Incentives for Restrictive Placements* (Parrish, 1994) for a more in-depth discussion of the desire for increased flexibility in the states.

Table 1-5. Major Policy Objectives in States Currently Considering Reform

Policy Objective	Total Number (n = 20)	Percentage of States
Equitable	15	75%
Provides flexibility in use of resources	12	60%
Understandable	10	50%
Adequately funded	9	45%
Not linked to where students receive services	8	40%
Linked to student outcomes	7	35%
Provides fiscal accountability	7	35%
Does not encourage overidentification	6	30%
Has reasonable reporting burden	5	25%
Predictable	4	20%
Based on actual costs	2	10%
Includes cost control mechanisms	2	10%

Adjustment Factors Used in Funding Formulas

Table 1-6 shows what additional factors states incorporate into their state special education funding formulas to accommodate variation in local district circumstances. These include provisions to reimburse districts differentially for special situations related to student enrollment, such as population growth or decline, population density or sparsity, or high percentages of poverty. Some factors address issues of funding equity and are designed to address differences among districts in wealth, or variations in cost-of-living or cost-of-education that might exist within regions of a state. In an attempt to control special education costs, some states also include caps on the number of students who can be identified as eligible for special education funding (as does the federal government, at 12 percent), or caps on the number of available state dollars. The factors most likely to be included in a state's funding formula are measures of district wealth or fiscal capacity (n = 21), adjustments for population growth (n = 15), and caps on available state funds for special education (n = 14). Factors used infrequently include adjustment for population density and for poverty (n = 3 in both cases). It is particularly interesting to note the relatively low use by states of poverty as an adjustment factor, in light of the federal government's inclusion of poverty as an adjustment factor in special education funding under the recently reauthorized IDEA.

Separate, Additional Funding Mechanisms

Many states use separate funding mechanisms to target resources to specific populations or areas of policy concern such as extended school year services or specialized equipment. Table 1-7 shows the separate funding mechanisms used by states to provide these targeted resources. These include funds for students placed in separate public and private schools (both day and residential), services for students with serious emotional disturbance (SED), extended school year services, transportation for special education students, specialized equipment, or capital building funds.

Many states also fund preschool and early intervention services, using mechanisms different from those used to fund services for school-age students with disabilities. Finally, a growing number of states have a separate funding stream that can be accessed by districts experiencing exceptionally high special education costs. Across states, the most common use of a separate funding mechanism is to provide early intervention services for 0–2 year olds. Over half the states (n = 26) fund early intervention services separately from school-age special education services, and more than a third (n = 19) use separate funding for 3–5-year-olds with disabilities.

Funding for special education transportation is the third most common use of a separate funding mechanism (n = 18). The use of these targeted funding strategies is yet another way that states respond to individual policy concerns. However, they can also add complexity and remove flexibility from the system. In the case of categorical transportation aid, districts choosing to transport students to centralized locations will receive this additional support, while districts choosing more localized service options (i.e., to invest funds to make their neighborhood schools more accessible) will not. These separate funding provisions can mask enormous variability across states in total special education expenditures if some states include these separate funding streams in calculations of total special education aid and others do not. They can also affect the incentives associated with the basic funding approach. For example, the basic special education funding system may appear to contain no placement incentives. However, when provisions for private school placement and funding, or transportation allotments in support of segregated placement options, are placed outside the basic formula, powerful incentives for their use may still be in place.

Table 1-6. Special Funding Factors Included in State Special Education Funding Formulas

State (n = 50)	District Wealth	Pop Density	Pop Sparsity	Cost of Living	Cost of Education	Pop Growth	Pop Decline	Poverty	Student Cap	Revenue Cap
Alabama						✔	✔			✔
Alaska										
Arizona						✔				✔
Arkansas	✔									
California			✔	✔					✔	
Colorado										
Connecticut	✔							✔		
Delaware	✔									
Florida	✔	✔	✔	✔		✔	✔			✔
Georgia	✔									
Hawaii										
Idaho		✔	✔			✔	✔			✔
Illinois										✔
Indiana										
Iowa					✔					
Kansas					✔					
Kentucky	✔				✔	✔	✔			
Louisiana	✔			✔	✔	✔	✔	✔		
Maine										
Maryland	✔					✔	✔			
Massachusetts	✔			✔	✔	✔			✔	✔
Michigan										
Minnesota	✔									
Mississippi										
Missouri										✔
Montana	✔		✔			✔	✔			✔
Nebraska										
Nevada										
New Hampshire	✔									
New Jersey					✔	✔				✔
New Mexico		✔	✔		✔	✔	✔			
New York	✔				✔					
North Carolina									✔	✔
North Dakota	✔									✔
Ohio									✔	
Oklahoma										
Oregon	✔		✔					✔	✔	
Pennsylvania									✔	
Rhode Island										✔
South Carolina	✔									
South Dakota	✔									
Tennessee										
Texas	✔		✔			✔	✔			
Utah				✔		✔	✔		✔	
Vermont	✔									✔
Virginia	✔				✔	✔	✔			
Washington	✔			✔		✔			✔	
West Virginia										✔
Wisconsin									✔	
Wyoming									✔	
Totals:	**21**	**3**	**7**	**6**	**9**	**15**	**11**	**3**	**10**	**14**

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Table 1-7. Separate Funding Mechanisms Used by States for Special Education Services

State (n = 50)	Private Residential	Private Day	Public Residential	Public Regional	SED Services	Extended School Year	Transportation	Special Equipment	Capital Funds	3–5 Year-olds	0–2 Year-olds	Emergency Funds	Other
Alabama			✔	✔						✔		✔	
Alaska							✔				✔	✔	
Arizona			✔			✔	✔			✔			
Arkansas	✔		✔			✔				✔		✔	
California					✔		✔	✔				✔	
Colorado													
Connecticut	✔	✔	✔	✔	✔	✔		✔		✔		✔	✔
Delaware	✔	✔								✔	✔		
Florida							✔						✔
Georgia	✔	✔			✔			✔		✔	✔	✔	
Hawaii													
Idaho	✔	✔			✔	✔	✔			✔			✔
Illinois	✔	✔	✔				✔				✔	✔	✔
Indiana	✔		✔		✔	✔	✔		✔	✔	✔		
Iowa												✔	
Kansas													
Kentucky			✔			✔	✔			✔	✔		
Louisiana			✔			✔							
Maine													
Maryland	✔	✔	✔				✔		✔		✔		
Massachusetts	✔						✔			✔	✔	✔	
Michigan													
Minnesota													
Mississippi													
Missouri										✔	✔		

Table 1-7. Separate Funding Mechanisms Used by States for Special Education Services (continued)

State (n = 50)	Private Residential	Private Day	Public Residential	Public Regional	SED Services	Extended School Year	Transportation	Special Equipment	Capital Funds	3–5 Year-olds	0–2 Year-olds	Emergency Funds	Other
Montana	✔		✔		✔		✔				✔	✔	
Nebraska							✔			✔	✔		✔
Nevada													✔
New Hampshire					✔							✔	✔
New Jersey				✔			✔		✔		✔		
New Mexico							✔				✔		
New York	✔	✔	✔	✔		✔	✔			✔	✔		✔
North Carolina	✔						✔			✔	✔	✔	
North Dakota											✔	✔	✔
Ohio													
Oklahoma													
Oregon			✔							✔	✔		
Pennsylvania	✔	✔		✔	✔	✔	✔	✔		✔	✔	✔	✔
Rhode Island											✔		✔
South Carolina										✔			
South Dakota													
Tennessee											✔	✔	
Texas							✔				✔		
Utah						✔				✔		✔	
Vermont										✔	✔		✔
Virginia	✔	✔	✔	✔							✔		
Washington	✔								✔		✔		
West Virginia											✔		
Wisconsin											✔		
Wyoming													
Totals:	**15**	**9**	**13**	**6**	**8**	**10**	**18**	**4**	**4**	**19**	**26**	**16**	**12**

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Allowable Uses of Special Education Funds

States use fiscal policies to affect district practice in the provision of special education services in other ways. For example, states may use a variety of fiscal accountability mechanisms designed to control and target special education expenditures. Fiscal controls in half the states (n = 25) require that funds distributed through the state's special education finance system be spent *only* for eligible students with disabilities (see Tables 1-1 and 1-8). Ten states allow state special education funds to be used for any public education service; nine states report that funds may be spent for special education and prereferral services; three states allow such funds to be spent for special education and remedial services; and two states report that funds distributed through their special education funding mechanism may be spent for *any* public purpose. The restrictions on how states use their funds tend to favor fiscal accountability, but reduce local control. In practice, however, the impact of these provisions is unclear. For example, it appears that many local districts are sometimes unaware of existing provisions allowing flexibility in the use of funds.

Table 1-8. Fiscal Policies for the Use of State Special Education Revenues

Fiscal Policy	Total Number (n = 49)	Percentage of States
Special education programs only	25	51%
Any public education service	10	20%
Special education and prereferral services	9	18%
Special education and remedial services	3	6%
Any public purpose	2	4%

Note: Percentage may not add to 100 because of rounding.

Limiting the use of special education funds to special education students is consistent with the separate categorical funding streams for special education found in over half the states. This preference for using a separate categorical mechanism for funding special education reflects the historical development of special education as an "add-on" to the regular education system (see Table 1-1). However, it may also suggest incongruity between fiscal policy and current program practices and goals. There is a natural tension between separate, highly categorical funding streams and overall education reform objectives favoring more "unified" schooling systems (McLaughlin & Warren, 1992). In such

systems, the strict barriers between categorical programs begin to disappear and are replaced by a more seamless set of educational programs and services designed to meet the special needs of all students. Yet, while widespread activity currently focuses on the development of a more unified education system at the instructional level, funding structures supporting dual systems of regular and special education, for the most part, remain intact.

A critical question that confronts the development of future fiscal policy in special education is whether funding should retain its purely categorical nature. Reform advocates are questioning the efficiency of the multiple administrative and service structures needed by categorical programs, and are calling for increased flexibility through the blending of funds to best meet the special needs of all students.[6]

Some changes have already occurred: Under Title I of the revised Elementary and Secondary Education Act (ESEA), high poverty schools are allowed to blend funds from a variety of federal sources to make schoolwide changes for the benefit of all students. Similarly, under the IDEA Amendments of 1997 (P.L. 105-17), local education agencies may use IDEA funds to carry out a schoolwide Title I program (under section 1114 of the ESEA of 1965). Prior to the reauthorization of the IDEA, several policymakers and professional groups, including the Council of Chief State School Officers (1994) and the National Association of State Directors of Special Education (NASDSE), had explicitly called for the inclusion of special education in the blended funding option for schoolwide projects: "Combining funds provided under IDEA and the Elementary and Secondary Education Act's Title 1, while maintaining IDEA's procedural safeguards . . . could permit special educators to better participate in the reform process" (NASDSE, 1994).

[6] For a discussion of issues related to this type of blending at the federal and local levels, see CSEF Policy Paper Nos. 5 and 6: Verstegen (1995), and McLaughlin (1995). Also see Parrish (1997) for a more in-depth discussion of state special education finance reform issues.

Other State Policies that Affect Special Education Services

Two significant trends affecting the delivery of special education services in states across the nation relate to increased flexibility in the use of funds. These include the use of prereferral intervention services and the move toward providing more integrated, or combined, services *across* categorical programs for students with special needs (Hartman & Fay, 1996; McLaughlin, 1995; Verstegen, 1995). Table 1-9 presents the results of CSEF's 1994–95 survey related to these two trends.

Prereferral intervention systems provide short-term educational interventions for students experiencing difficulties in school, some of whom might otherwise be directly referred to special education. They are designed to provide early, systematic support to students in their regular classroom environment; reduce or eliminate inappropriate referrals for testing and placement into special education; and increase the regular classroom teacher's ability to deal with children with special needs (Hartman & Fay, 1996).

As Table 1-9 shows, all 50 states have established prereferral intervention systems of some type, and almost 40 percent (n = 19) of the states report that they have these systems in place in every school district in the state. Another 14 states report preferral intervention systems in 30 to 90 percent of their districts.

Table 1-9 also presents the number of states and percentage of schools within each state that provide *integrated or combined services across categorical programs*—e.g., compensatory education services for disadvantaged youth under Title I of the Improving America's Schools Act (IASA); limited-English proficient services under Title VII, IASA; education services for children with disabilities under the IDEA. Thirty-two states report having schools with integrated programs. Across these states, the percentage of schools reported as having integrated programs range from 10 to 100 percent.

These changes in the delivery of services for children with special needs—driven by both programmatic and fiscal concerns—reflect reforms in special education that are integrally tied to those for the education system as a whole. These changes are consistent with the Goals 2000 vision of high quality education standards for *all* children at *all* schools, and the challenges brought by the rising enrollments and costs of special education.

Table 1-9. Adoption of Early Intervention Systems and Integrated Services, by State

State (n = 45)	Prereferral Intervention Systems		Integrated or Combined Service Provision across Categorical Programs	
	Established in Schools	Percentage of Schools with System	Established in Schools	Percentage of Schools
Alabama	✔	100%		
Alaska	✔	60%	✔	70%
Arizona	✔		✔	
Arkansas	✔		✔	
California	✔		✔	
Colorado	✔	90%	✔	75%
Connecticut	✔	100%	✔	100%
Delaware	✔	100%	✔	
Florida	✔	100%	✔	30%
Georgia	✔	100%		
Hawaii	✔		✔	
Illinois	✔	7.5%		
Indiana	✔	100%	✔	100%
Iowa	✔	100%		
Kentucky	✔	100%	✔	65%
Louisiana	✔	100%	✔	
Maine	✔	80%	✔	80%
Maryland	✔	75%	✔	25%
Massachusetts	✔		✔	
Michigan	✔		✔	50%
Minnesota	✔	100%	✔	25%
Missouri	✔	100%	✔	90%
Montana	✔	90%	✔	10%
Nebraska	✔	100%		
Nevada	✔	70%	✔	75%
New Hampshire	✔	80%		
New Jersey	✔	100%	✔	
New Mexico	✔		✔	95%
North Carolina	✔			
North Dakota	✔	100%		
Ohio	✔	70%	✔	70%
Oklahoma	✔		✔	
Oregon	✔	80%		
Pennsylvania	✔	100%	✔	—
Rhode Island	✔	60%	✔	
South Dakota	✔	60%	✔	60%
Tennessee	✔	100%	✔	100%
Texas	✔	5%		
Utah	✔	90%		
Vermont	✔	100%	✔	95%
Virginia	✔	100%	✔	
Washington	✔	90%	✔	20%
West Virginia	✔			
Wisconsin	✔	30%	✔	
Wyoming	✔	100%		

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2. State Special Education Revenues and Expenditures

This section focuses on state special education revenues and expenditures from the period 1982–83 through 1994–95. A brief discussion of revenues and child counts sets the stage for a more thorough look at state special education expenditures in terms of (a) federal, state, and local shares; (b) special education enrollments; (c) per pupil expenditures; and (d) trends in special and general education expenditures.

State Special Education Revenues

Table 2-1 presents data on state-level special education appropriations and child counts for the 1994–95 school year for responding states.[7] The reported state appropriation per special education student ranged from a low of $210 in West Virginia to a high of $5,518 in Alaska. The average state appropriation was $2,414 per special education student. It should be kept in mind that these are only the reported levels of state support, and that total spending on special education from all sources, by state, may differ considerably from these state appropriations.

States also reported other sources of revenue that they use to provide special education services to school-age children with disabilities. As shown in Table 2-2, all but one of 42 reporting states used Medicaid as another source of special education revenue. Over a quarter of the states reported that they used state mental health funds (n = 13) or private medical insurance (n = 13) as sources of special education revenue.

[7] Although the states reported their appropriations for 1994–95 in the CSEF survey, the state child count data for children with disabilities ages 0-21 was obtained from the U.S. Department of Education, Office of Special Education Programs, Data Analysis System (DANS).

Table 2-1. State Special Education Appropriations and Child Counts, 1994–95

State (n = 29)	Special Education		
	State Appropriation	State Child Counts (Age 0–21)	State Appropriation per Special Education Student
Alabama	$197,749,248	100,473	$1,968
Alaska	$99,000,000	17,942	$5,518
Arkansas	$108,000,000	54,279	$1,990
California	$1,623,811,000	563,894	$2,880
Colorado	$55,389,983	71,618	$773
Delaware	$87,672,300	16,701	$5,250
Florida	$1,183,690,380	301,723	$3,923
Illinois	$460,000,000	259,371	$1,774
Indiana	$221,465,660	132,714	$1,669
Iowa	$194,100,000	65,034	$2,985
Kansas	$177,000,000	52,861	$3,348
Louisiana	$422,393,596	91,344	$4,624
Maryland	$181,250,000	100,505	$1,803
Michigan	$177,410,000	186,501	$951
Missouri	$152,297,071	121,192	$1,257
Montana	$33,800,000	18,161	$1,861
Nebraska	$103,051,310	38,792	$2,657
New Hampshire	$15,000,000	24,546	$611
New Jersey	$582,500,000	194,922	$2,988
New Mexico	$200,000,000	46,844	$4,269
North Carolina	$330,902,732	145,557	$2,273
North Dakota	$16,355,372	12,386	$1,320
Pennsylvania	$590,000,000	213,785	$2,760
Rhode Island	$33,000,000	24,494	$1,347
South Dakota	$33,441,406	16,114	$2,075
Vermont	$34,653,800	11,034	$3,141
Virginia	$163,617,079	138,252	$1,183
West Virginia	$9,851,026	46,848	$210
Wisconsin	$275,000,000	105,558	$2,605

Sources: *CSEF Survey on State Special Education Funding Systems*, 1994–95 (state appropriation data) and the U.S. Department of Education, Office of Special Education Programs, Data Analysis System (DANS) (child count data).

These sources of supplemental funding tend to be external to education. Some are reimbursements for services provided by special education from federal sources, such as Medicaid. However, such funding claimed by the state is not always returned to local districts. In some cases, it goes directly to the state general fund. Fourteen states reported that 100 percent of these revenues are returned to local districts.

Table 2-2. Other Sources of Revenue Reported by States to Provide Special Education Services to School-age Children with Disabilities

State (n = 42)	Other Sources of Special Education Revenue			Percent Returned to Local Districts*
	Medicaid	State Mental Health Funds	Private Medical Insurance	
Alabama	✔	✔		—
Alaska	✔	✔		—
Arizona		✔		—
Arkansas	✔			100%
California	✔	✔	✔	—
Connecticut	✔		✔	—
Delaware	✔			30%
Florida	✔	✔	✔	100%
Idaho	✔			—
Illinois	✔			100%
Indiana	✔	✔		—
Kansas	✔			100%
Kentucky	✔		✔	—
Louisiana	✔	✔	✔	100%
Maryland	✔		✔	100%
Massachusetts	✔			—
Michigan	✔			50%
Mississippi	✔			—
Missouri	✔		✔	—
Montana	✔		✔	100%
Nebraska	✔			—
Nevada	✔	✔		—
New Hampshire	✔			100%
New Jersey	✔			15%
New Mexico	✔	✔	✔	—
New York	✔			50%
North Carolina	✔			—
North Dakota	✔		✔	100%
Ohio	✔			—
Oklahoma	✔	✔	✔	—
Oregon	✔			100%
Pennsylvania	✔			—
Rhode Island	✔			100%
South Carolina	✔			—
South Dakota	✔			100%
Tennessee	✔	✔	✔	—
Texas	✔			100%
Utah	✔	✔	✔	—
Vermont	✔	✔		50%
Virginia	✔			100%
Washington	✔			20%
West Virginia	✔			—

*The "—" indicates state did not provide data.

Fewer than a quarter of the states were able to provide estimates of their Medicaid revenue, as shown in Table 2-3. In some states, individual districts or consortia of districts bill directly for these funds, and the state may not know what is actually being collected. Table 2-3 shows that Medicaid revenue represents less than (or equal to) 1 percent of the state's special education expenditures for 8 of the 11 reporting states. The highest percentage of Medicaid revenue reported in relation to the state's overall special education expenditure is 16 percent for Louisiana. Among the small number of reporting states, Medicaid revenues appear to contribute a relatively small amount to states' total special education costs. Funding sources like Medicaid clearly have the potential to offset a greater share of special education costs. The extent to which such funding sources are being underutilized or just underreported is not known.

Table 2-3. Medicaid Revenues for Special Education as a Percentage of State Special Education Expenditures

State (n = 11)	Special Education Expenditure	Medicaid Revenue	Medicaid Percentage
Connecticut	$627,331,211	$1,456,305	≥1%
Kansas	$326,106,608	$966,902	≥1%
Louisiana	$427,924,416	$70,000,000	16%
Michigan	$1,173,800,000	$36,700,000	3%
Montana	$54,865,132	$400,000	1%
North Carolina	$344,809,332	$100,305	≥1%
North Dakota	$54,560,122	$310,000	1%
Rhode Island	$147,300,000	$2,750,340	2%
South Dakota	$61,618,034	$345,080	1%
Vermont	$79,344,184	$900,000	1%
Virginia	$579,294,322	$100,000	≥1%

State Special Education Expenditures

Comprehensive, current data on special education expenditures are lacking. The most recent large-scale collection of data on state special education expenditures occurred during the 1985–86 school year (Moore et al., 1988). The federal government subsequently stopped requiring the collection of these data—after the 1987–88 school year—making it difficult to provide current estimates of special education costs. To inform discussion about special education costs, CSEF attempted to obtain more recent expenditure data through its 1994–95 survey.

In response to CSEF's survey, however, fully half the states reported that they did not know the statewide cost of their special education programs. Only 24 states were able to report special education expenditure data at the federal, state, and local levels; and only 13 indicated that they could do so with a high degree of confidence. The absence of these data reflects the fact that many states do not have education reporting systems that break out expenditures of this type on a programmatic basis. Despite these limitations, the data collected by CSEF are the most current special education expenditure data available by state. The remainder of this section compares this expenditure information with data from earlier cost studies and federal data collections to provide insight into longer-term trends in special education costs.

Federal, State, and Local Share of Expenditures

As discussed earlier, states have primary responsibility under the IDEA for providing special education programs and services to school-age children with disabilities; and it is estimated that they provide from one-third to one-half of the required fiscal support.[8] Table 2-4 shows special education expenditures reported by the states from federal, state, and local sources for the 1982–83 and 1987–88 school years. These are the first and last years that data were required to be reported by the states. This federal data collection was terminated because the data for many of the states were deemed inaccurate.

[8] Until the recent IDEA reauthorization, federal funding under the IDEA has been based on each state's count of children with disabilities who are receiving special education services (limited to 12 percent of the general school-age population). In 1978, the federal allocation was 5 percent of the national average per pupil expenditure (APPE), and was authorized to rise to a high of 40 percent of the national APPE by FY 1982. However, federal aid allocated to students with disabilities has never exceeded 12.5 percent of the national APPE. Congress raised federal support for special education for fiscal year 1997, estimated to cover about 8 percent of the nation's special education costs (Parrish, 1997).

Table 2-4. Special Education Expenditures As Reported by the States: 1982–83 and 1987–88

State	1982–83 School Year			1987–88 School Year		
(n = 50)	Federal	State	Local	Federal	State	Local
Alabama	$15,147,129	$54,931,108	$4,835,922	$28,408,402	$209,473,249	$7,445,965
Alaska	$6,969,931	$33,050,557	$2,270,486	$4,590,969	$66,287,474	$23,881,365
Arizona	$12,934,380	$54,166,956	$49,203,681	$21,686,540	$85,638,695	$83,216,590
Arkansas	$7,737,763	$27,274,412	$10,446,902	$12,982,477	$45,397,477	$21,363,519
California	$71,100,000	$931,000,000	$380,300,000	$109,174,514	$1,384,051,090	$267,653,646
Colorado	$11,345,424	$57,553,412	$78,050,630	$17,532,160	$92,083,667	$119,419,030
Connecticut	$13,218,842	$87,292,380	$119,313,259	$19,639,000	$161,118,000	$233,571,000
Delaware	$4,857,378	$27,753,978	$9,562,970	$6,661,894	$32,283,144	$12,733,893
District of Columbia	$3,735,099	$14,247,315	$0	$4,028,232	$35,004,500	—
Florida	$36,695,420	$273,787,666	$117,337,575	$46,521,333	$499,983,327	$260,937,051
Georgia	$21,970,613	$123,856,908	$43,997,765	$27,879,100	$318,651,119	$78,248,569
Hawaii	$3,301,226	$30,463,596	$0	$3,745,390	$80,250,721	—
Idaho	$3,608,637	$36,782,289	$1,839,114	$5,946,239	$52,603,000	$0
Illinois	$78,059,606	$441,131,848	$526,584,337	$110,167,941	$617,332,678	$738,258,897
Indiana	$21,518,758	$70,239,579	$51,143,927	$37,719,560	$132,288,039	$81,721,723
Iowa	$11,268,921	$128,459,228	$36,458,797	$14,917,220	$147,884,685	$32,865,819
Kansas	$4,048,009	$38,805,051	$73,469,035	$12,029,299	$89,784,784	$73,583,748
Kentucky	$18,979,163	$95,415,500	$25,166,826	$145,960,923	$25,258,718	$52,304,695
Louisiana	$16,423,196	$143,160,273	$74,381,427	$17,919,838	$181,107,304	$60,411,726
Maine	$7,266,653	$13,897,571	$17,718,792	$10,968,473	$39,233,757	$28,708,710
Maryland	$22,354,228	$130,842,745	$101,348,132	$26,310,077	$136,551,192	$184,879,183
Massachusetts	$24,431,788	$134,562,771	$216,879,101	$46,210,468	$244,991,446	$380,271,297
Michigan	$41,784,676	$182,752,262	$283,152,060	$46,244,630	$138,638,984	$448,514,138
Minnesota	$17,500,000	$100,000,000	$66,000,000	$14,750,000	$266,643,000	$117,630,000
Mississippi	$14,079,470	$63,884,967	$10,019,350	$16,233,600	$94,783,968	$7,569,017
Missouri	$27,081,756	$77,423,275	$71,467,638	$27,826,816	$260,909,444	$0
Montana	$2,347,432	$21,398,739	$1,069,937	$3,938,549	$27,861,646	$7,143,117
Nebraska	$8,029,595	$40,486,043	$18,668,075	$8,168,624	$57,994,025	$7,351,406
Nevada	$3,979,362	$16,680,398	$2,404,254	$4,934,855	$51,008,718	$35,658,315
New Hampshire	$3,432,618	$9,365,312	$28,413,274	$4,981,659	$16,165,477	$71,668,307
New Jersey	$42,292,093	$360,733,366	$150,725,065	$53,352,077	$392,699,708	$54,440,088
New Mexico	$0	$70,797,982	—	$10,012,140	$108,419,713	$1,182,360
New York	$79,127,000	$659,343,000	$842,577,000	$106,010,000	$1,567,500,000	$1,668,100,00
North Carolina	$29,384,932	$133,045,181	$12,275,470	$36,430,547	$204,738,963	$36,699,609
North Dakota	$2,673,887	$10,695,566	$20,054,188	$3,128,699	$11,777,264	$27,761,985
Ohio	$29,000,000	$253,000,000	$345,000,000	$58,295,409	$673,816,569	$457,328,656
Oklahoma	$23,471,492	$76,250,700	$64,842,161	$27,640,801	$252,409,667	$7,806,485
Oregon	$13,800,000	$28,100,000	$76,900,000	$17,508,990	$34,362,437	$149,366,677
Pennsylvania	$49,377,679	$395,095,160	$108,877,454	$79,143,770	$426,735,571	$211,634,023
Rhode Island	$3,944,573	$57,042,007	—	$5,856,255	$99,107,515	—
South Carolina	$17,074,730	$55,706,402	$18,557,691	$23,107,598	$94,117,461	$51,490,108
South Dakota	$1,887,157	$6,387,151	$13,278,420	$3,596,787	$12,852,046	$20,508,985
Tennessee	$18,448,154	$62,191,317	$26,328,848	$24,513,780	$108,548,283	$38,696,809
Texas	$65,365,693	$379,533,195	$140,086,380	$98,582,090	$463,405,779	$263,849,157
Utah	$6,705,508	$43,875,578	$1,419,117	$12,517,039	$71,566,528	$3,808,847
Vermont	$2,099,734	$16,758,371	$6,910,973	$4,585,773	$20,630,430	$24,736,830
Virginia	$27,028,789	$50,275,353	$137,593,474	$26,666,978	$64,685,147	$280,787,409
Washington	$14,048,741	$97,233,856	$27,584,958	$19,373,108	$215,274,869	$72,201,872
West Virginia	$10,275,046	$61,178,307	$9,884,135	$14,608,141	$89,885,584	$17,482,586
Wisconsin	$19,367,831	$129,950,902	$77,153,504	$28,693,981	$277,687,077	$162,591,701
Wyoming	$2,554,012	$18,822,993	$17,797,143	$2,306,713	$40,879,621	$8,516,376
TOTALS:	**$993,134,124**	**$5,426,582,526**	**$4,519,349,247**	**$1,514,009,459**	**$10,822,363,560**	**$6,996,001,289**

Source: The 1982–83 data are from the U. S. Department of Education, Office of Special Education Program Data Analysis System (DANS). The 1987–88 data are from the *Fourteenth Annual Report to Congress on the Implementation of the Individuals with Disabilities Education Act.*

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As stated earlier, CSEF collected special education expenditure data from states between 1994–96 in an effort to provide more current cost data than the data collected almost a decade ago in the last federally required data collection. However, as shown in Table 2-5, only 24 states were able to provide up-to-date data with varying degrees of confidence. Notwithstanding their flaws, the data collected by CSEF provide the most current available estimates of state special education expenditures in terms of federal, state, and local shares. As Table 2-5 indicates, the data show considerable variability across states in the average expenditure per student (ranging from $2,758 in Indiana to $8,501 in Connecticut—a ratio of more than 3 to 1). In terms of federal, state, and local shares in providing support for special education, the current data substantiate earlier data showing the federal government's share to be fairly small overall. However, these data also show much variability across states in the local, state, and federal shares of spending. For example, the federal share of expenditures ranged from a low of 4 percent in Connecticut and Nevada, to a high of 17 percent in Indiana. State support ranged from 23 percent in Virginia to 94 percent in Louisiana. Local shares mirrored this range across the 24 states, from 0 percent in Louisiana to 69 percent in Maryland. Half the 24 states reported a state share of 50 percent or more. Over half of the reporting states were highly confident about their data; nine states were either confident or somewhat confident in their data. Indiana and Minnesota were not confident in the data they reported.

Table 2-6 compares these data with earlier data from other sources. The combined data indicate that the percentage shares have remained relatively constant over the 11-year period reported. In 1982–83, federal sources represented 8 percent of the states' fiscal resources, state sources 54 percent, and local sources 38 percent. The breakdown for the estimated $19.2 billion expended during 1987–88 was similar: 8 percent, 56 percent, and 36 percent, respectively. For the 24 states reporting expenditures for 1993–94, the breakdown was 7 percent, 53 percent, and 40 percent, respectively.[9]

[9] It is important to note that the 24 states reporting estimated expenditure data may not be representative of all states. For example, among states with the largest special education populations, four (Illinois, New York, Ohio, and Texas) did not provide expenditure information. Thus, it is difficult to know if these data represent a true overall decline in state share of special education support.

Table 2-5. Special Education Expenditures as Reported by States: 1993–1994*

State (n = 24)	Total Expenditure*	Associated Student Special Education Count**	Average Special Education Expenditure per Student	Percentage of Support by Source			Confidence in Data
				Federal	State	Local	
California	$3,070,700,000 [A]	550,293 [A]	$5,580	5%	71%	24%	SC
Colorado	$260,337,092 [A]	76,374 [B]	$3,409	9%	31%	60%	HC
Connecticut	$627,331,211	73,792	$8,501	4%	37%	59%	HC
Florida	$1,470,186,078 [B]	290,630 [A]	$5,059	6%	56%	38%	C
Indiana	$350,430,294 [B]	127,079	$2,758	17%	63%	20%	NC
Iowa	$277,700,000 [B]	65,039 [B]	$4,270	11%	70%	19%	HC
Kansas	$326,106,608 [B]	47,489	$6,867	7%	54%	39%	HC
Louisiana	$427,924,416	108,317 [B]	$3,951	6%	94%	0%	C
Maine	$145,000,000 [B]	30,565	$4,744	8%	59%	33%	HC
Maryland	$757,328,777	95,752	$7,909	5%	26%	69%	HC
Massachusetts	$1,065,523,416	149,431	$7,131	6%	30%	64%	HC
Michigan	$1,334,000,000 [B]	188,703 [C]	$7,069	6%	34%	60%	HC
Minnesota	$689,656,932 [A]	96,542 [A]	$7,144	6%	70%	24%	NC
Missouri	$436,778,659	121,419 [D]	$3,597	10%	30%	60%	C
Montana	$54,865,132	17,881	$3,068	14%	60%	26%	HC
Nevada	$202,369,114	24,624	$8,218	4%	40%	56%	C
New Mexico	$250,000,000 [B]	45,364	$5,511	9%	90%	1%	SC
North Carolina	$344,809,332 [C]	142,394	$2,422	15%	76%	9%	HC
North Dakota	$54,560,122	12,180	$4,479	10%	31%	59%	SC
Rhode Island	$147,300,000	25,143	$5,858	5%	36%	59%	HC
South Dakota	$61,618,034	15,208	$4,052	13%	49%	38%	HC
Vermont	$79,155,945	10,131 [E]	$7,813	5%	39%	56%	HC
Virginia	$608,692,266	129,498 [A]	$4,700	9%	23%	68%	C
Wisconsin	$630,000,000 [A]	95,552	$6,593	6%	62%	32%	C
All Reporting States	**$13,929,607,674**	**2,581,905**	**$5,395**	**7%**	**53%**	**40%**	
Highly Confident or Confident States	**$9,514,260,326**	**1,750,477**	**$5,435**	**7%**	**44%**	**49%**	

*States reported for the 1993–94 school year except as designated below:

[A] 1992–93

[B] 1994–95

[C] 1990–91

**Count of students reported by the state associated with the reported total expenditure. Includes age range 3–21 except as designated below:

[A] Includes age range 0–22

[B] Includes age range 0–21

[C] Includes age range 0–26

[D] Includes age range 3–22

[E] Includes age range 5–22

Confidence in Data:

HC: Highly Confident

C: Confident

SC: Somewhat Confident

NC: Not Confident

Table 2-6. Federal, State, and Local Shares of Special Education Spending for Selected Years and Samples of States

	Federal Share	State Share	Local Share
All States			
1982–83 School Year	8.3%	53.8%	37.9%
1987–88 School Year	7.8%	56.0%	36.2%
1993–94 School Year	na	na	na
States Responding to CSEF Survey			
All Responding States (n = 24)			
1982–83 School Year	8.0%	54.8%	37.2%
1987–88 School Year	7.1%	57.3%	35.6%
1993–94 School Year	6.9%	52.8%	40.3%
Somewhat to Highly Confident States (n = 22)			
1982–83 School Year	7.7%	55.0%	37.3%
1987–88 School Year	7.0%	57.0%	36.0%
1993–94 School Year	6.7%	51.5%	41.8%
Confident to Highly Confident Survey States (n = 20)			
1982–83 School Year	8.7%	50.4%	41.0%
1987–88 School Year	7.3%	50.5%	42.3%
1993–94 School Year	7.1%	44.0%	49.0%

Sources: The 1982–83 data are from the U.S. Department of Education, Office of Special Education Programs Data Analysis System (DANS). The 1993–94 data are from the *CSEF Survey on State Special Education Funding Systems*, 1994–95, and the *Fourteenth Annual Report to Congress on the Implementation of the Individuals with Disabilities Education Act.*

The data in Table 2-6 show the local share of special education costs to be rising. Based on data from the "highly confident" states, local districts may now incur the largest share of special education costs. This may explain the increased concern regarding rising special education costs being expressed by school districts. Most states, nonetheless, continue to provide the majority of special education funding. However, with continued limited public resources and competing demands for other types of public services, states are struggling to provide appropriate educational services to students with disabilities. These pressures have contributed to the high level of fiscal reforms underway in the states, as discussed earlier in this report and shown in Table 1-1. Based on available data, however, it is unclear to what extent the states have been successful in their efforts to control special education costs, as opposed to simply shifting the cost burden to local education agencies.

Special Education Enrollment

To set the context for looking at changes in overall and per pupil special education expenditures over time, it is useful to consider special education enrollment and its representation within total school enrollment. Table 2-7 presents the changes in total and special education school-age enrollments from 1976–77 to 1994–95. As evident in this table and widely acknowledged in the academic and public press, there has been continual growth in special education enrollments and in the percentage of total school enrollment represented by special education students since the implementation of the IDEA. Much of this growth has resulted from more recent and rapidly expanding preschool enrollments. Growth has occurred also through expanding enrollments in the birth-through 2 population through the federal Part H program for infants and toddlers—first separately reported for 1987–88. It is important to note that the overall growth in the special education population is somewhat mitigated by excluding the faster growing preschool and infant programs. On the other hand, however, future growth in special education enrollments might continue to be fueled by increasing numbers of young children eligible for services through the Preschool Grants and Infants and Toddlers with Disabilities programs. Continued expansion in the special education population may also be driven by rising numbers of at-risk, school age children (based on sociodemographic indicators such as poverty and low-birthweight infants), and general education reforms including increased academic standards and rigorous assessments (Parrish, 1996).

Table 2-7 also shows alternative measures of the percentage of children in special education. This percentage can vary from 6.78 percent to 12.62 percent for the 1994–95 school year, depending on the numerator and denominator selected. For example, a comparison of children in special education from birth to age 21 to all children (i.e., the "resident population) in this age range yields 6.78 percent, while this count of special education children in relation to public school enrollment is 12.62 percent. In an attempt to select comparable measures for the top and bottom of this calculation, it may be best to compare the number of school-age children in special education to the full public and private school age enrollment. This shows the percentage of children in special education to be 9.77 percent. Irrespective of the measure selected, however, the percentage of children in special education has risen steadily since the passage of the IDEA. It is this steady, uninterrupted growth across the nation that may be of greatest concern to policymakers.

Table 2-7. Special Education Enrollments in the United States: 1976–77 – 1994–95

Years	Population Counts			Special Education Counts				Percent Special Education				
	Resident Population	Total Public and Private Enrollment	Total Public Enrollment	Total	By Age Group			Total to Resident Population	Total to Public and Private Enrollment	Total to Public Enrollment	Ages 6–21 to Total Public and Private Enrollment	Ages 6–21 to Public Enrollment
	0–21	K–12	Pre K–12	0–21	0–2*	3–5*	6–21	(%)	(%)	(%)	(%)	(%)
76–77	81,962,968	49,484,000	44,338,163	3,691,833				4.50	7.40	8.33		
77–78	81,236,690	48,717,000	43,730,964	3,751,356				4.62	7.70	8.58		
78–79	80,519,163	47,636,000	42,537,021	3,889,061				4.83	8.16	9.14		
79–80	81,025,941	46,645,000	41,573,667	4,005,270				4.94	8.59	9.63		
80–81	80,874,532	46,249,000	41,083,202	4,141,794				5.12	8.96	10.08		
81–82	80,303,955	45,544,000	40,148,373	4,197,972	*Data not available for these years.*			5.23	9.22	10.46	*Data not available for these years*	
82–83	79,583,482	45,166,000	39,540,000	4,254,793				5.35	9.42	10.76		
83–84	78,987,052	44,967,000	39,487,499	4,298,405				5.44	9.56	10.89		
84–85	79,343,915	44,908,000	38,925,000	4,315,094				5.44	9.61	11.09		
85–86	78,582,024	44,979,000	39,349,000	4,316,596				5.49	9.60	10.97		
86–87	78,332,954	45,205,000	39,838,617	4,373,638				5.58	9.68	10.98		
87–88	78,245,423	45,488,000	40,024,244	4,441,418	29,717	335,771	4,075,930	5.68	9.76	11.10	8.96	10.18
88–89	78,488,526	45,430,000	40,196,263	4,530,909	34,270	360,281	4,136,358	5.77	9.97	11.27	9.10	10.29
89–90	78,828,518	45,898,000	40,608,342	4,806,403	214,432	381,166	4,210,805	6.10	10.47	11.84	9.17	10.37
90–91	79,148,525	46,488,000	41,026,499	4,858,095	148,006	389,751	4,320,338	6.14	10.46	11.84	9.30	10.53
91–92	80,383,000	47,246,000	41,838,871	4,980,654	105,978	415,523	4,459,153	6.20	10.54	11.90	9.44	10.66
92–93	80,776,385	48,191,000	42,195,454	5,101,589	65,731	449,646	4,586,212	6.32	10.59	12.09	9.52	10.87
93–94	81,293,686	48,947,000	43,353,428	5,268,297	141,796	488,163	4,736,338	6.60	10.96	12.38	9.68	10.92
94–95	81,926,587	49,826,000	44,034,416	5,555,685	165,253	524,458	4,865,974	6.78	11.15	12.62	9.77	11.05

*Figures for ages 0–2 are for the Federal Part H program. Prior to 1987–88, data were not available by age group for the Chapter 1 of ESEA (SOP) program.

Sources: Most of the data in this table are from the U.S. Department of Education, Office of Special Education Programs Data Analysis System (DANS); except for the public and private school enrollment counts for 1987–88 to 1994–95, which are from the National Center for Education Statistics.

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Special Education Expenditures Per Pupil

Enrollment growth alone would account for some increase in total special education costs. However, the extent to which these costs are growing as a whole and per pupil is difficult to determine because of the absence of comprehensive, accurate, and recent data on expenditures. This section attempts to shed light on the growth in special education costs per pupil. It uses the most recent national data collected (1987–88), data on 24 states collected in the CSEF survey, and several other data sources.

Table 2-8 presents special education expenditures per special education student for the 1987–88 school year—the last year in which such data were reported by all states. For each state, two distinct special education expenditures are derived: (1) the per-student expenditures in the first column are derived using each state's total special education child count; (2) the per student expenditures in the second column are derived using each state's total public school enrollment. The first is an indicator of how much is being spent on special education per special education student. The second is a measure of special education expenditures by state irrespective of the number of students identified. For example, while the District of Columbia is very high on the first measure ($18,225), it is relatively low on the second ($583) because the percentage of students identified for special education is comparatively low.

In addition, the 1987–88 expenditures are adjusted to 1995–96 prices based on the Federal Budget Composite Deflator. When each state's special education expenditure is divided by the total number of special education students in the state, per student expenditures range from $2,272 in Tennessee to $18,225 in the District of Columbia. When the total public school enrollment in each state is used as the denominator, per student expenditures range from $234 in Arkansas to $1,653 in New York.

Table 2-8 shows considerable variation across states in the percent enrollment in special education, ranging from 3.2 percent in the District of Columbia to 15.7 percent in Massachusetts. The table also shows that special education as a percentage of total expenditures ranges from 6.6 percent (in Arkansas and Montana) to 21.2 percent (in Illinois), and averages 12.2 percent of total K–12 expenditures nationwide.

Table 2-8. Special Education Expenditures per Special Education Student, 1987–88 (In 1995–96 Prices)

State (n = 50)	Special Education Expenditure/ Special Education Student: 1987–88	Special Education Expenditure/ Total Enrollment: 1987–88	Percent Enrollment Special Education	Reported Expenditure on Special Education as a Percent of Total K–12 Expenditures
Alabama	$3,334	$433	13.0%	13.1%
Alaska	$12,620	$1,148	9.1%	12.5%
Arizona	$4,640	$428	9.2%	9.5%
Arkansas	$2,345	$234	10.0%	6.6%
California	$5,544	$503	9.0%	10.1%
Colorado	$6,171	$525	8.5%	10.5%
Connecticut	$7,712	$1,144	14.8%	15.1%
District of Columbia	$18,225	$583	3.2%	8.0%
Delaware	$6,047	$691	11.4%	11.7%
Florida	$5,578	$623	11.2%	12.8%
Georgia	$6,058	$490	8.1%	12.0%
Hawaii	$9,481	$650	6.6%	13.8%
Idaho	$3,986	$354	8.9%	11.0%
Illinois	$8,941	$1,039	11.6%	21.2%
Indiana	$3,270	$335	10.3%	7.6%
Iowa	$4,487	$523	11.6%	10.5%
Kansas	$5,519	$535	9.7%	11.2%
Kentucky	$3,920	$447	11.4%	12.8%
Louisiana	$5,173	$420	8.1%	11.3%
Maryland	$5,065	$652	12.9%	11.1%
Maine	$3,742	$478	12.8%	9.4%
Massachusetts	$6,664	$1,045	15.7%	16.4%
Michigan	$5,464	$512	9.4%	9.2%
Minnesota	$6,212	$710	11.4%	13.4%
Mississippi	$2,642	$300	11.4%	9.7%
Missouri	$3,811	$462	12.1%	10.5%
Montana	$3,391	$329	11.7%	6.6%
Nebraska	$3,125	$351	11.3%	7.4%
Nevada	$8,098	$700	8.6%	16.5%
New Hampshire	$7,603	$718	9.4%	13.7%
New Jersey	$3,842	$588	15.3%	7.6%
New Mexico	$4,969	$535	10.8%	13.1%
New York	$17,563	$1,653	9.4%	20.8%
North Carolina	$3,353	$329	9.8%	8.1%
North Dakota	$4,629	$461	9.9%	11.1%
Ohio	$8,000	$851	10.6%	18.4%
Oklahoma	$5,901	$633	10.7%	17.0%
Oregon	$6,127	$566	9.2%	10.3%
Pennsylvania	$4,937	$552	11.2%	9.3%
Rhode Island	$7,103	$999	14.1%	15.8%
South Carolina	$2,923	$352	12.1%	8.7%
South Dakota	$3,410	$374	11.0%	9.5%
Tennessee	$2,272	$267	11.8%	7.3%
Texas	$3,532	$327	9.3%	7.7%
Utah	$2,648	$267	10.1%	9.0%
Vermont	$6,866	$689	10.0%	10.9%
Virginia	$4,598	$489	10.6%	9.8%
Washington	$5,657	$507	9.0%	10.2%
West Virginia	$3,508	$456	13.0%	9.9%
Wisconsin	$8,013	$779	9.7%	14.1%
Wyoming	$6,873	$678	9.9%	11.1%
U.S. Average:	**$5,989**	**$625**	**10.7%**	**12.2%**

Sources: Table AH1 of the *Fourteenth Annual Report to Congress on the Implementation of the Individuals with Disabilities Education Act*; Table AA10 of the *Twelfth Annual Report to Congress on the Implementation of the Individuals with Disabilities Education Act*; the adjustment of 1987–88 data to 1995–96 prices is based on the Federal Budget Composite Deflator.

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It is important to note that these special education expenditure data by state are a decade old and were not considered very accurate by many states at the time they were reported. However they provide the best and most current data available from all the states. They show an average of 12 percent of total public education funding being allocated for special education programs and services. An earlier table (2-7) showed that the best estimate of the percentage of school-age children in special education may be 9.77 percent. In attempting to describe special education spending in simple terms, it seems accurate to report a supplemental allocation of about one-eighth of school funding (12.2 percent) for about one-tenth of the school-age population (9.77 percent).

Trends in Special and General Education Expenditures

■ Expenditures Per Pupil

Given rising special education enrollments, it is reasonable to predict that special education expenditures have been rising over time. However, have special education expenditures also been rising on a per pupil basis? Table 2-9 summarizes the best data available from various sources that can be used as a basis for comparing special to general education expenditures per pupil across the nation. All of the expenditures shown in this table are presented in terms of constant 1989–90 dollars. The first block of data in the table estimates special education expenditures from three national cost studies, using data collected during the 1968–69, 1977–78 and the 1985–86 school years. These data suggest that the average special education expenditure per special education student, adjusted for inflation, expanded during this period at an average rate of 4.1 percent a year. In addition, by dividing this overall period into two separate time segments based on the timing of the three studies, growth in the average expenditure per pupil appears to be considerably higher (6.9 percent per year) for the earlier time period (1968–69 to 1977–78) than for the later period (1977–78 to 1985–86) when the annual rate of growth is 1.1 percent.

Another source for examining changes in special education expenditures over time is national data obtained from the State Expenditure Survey, which was conducted for the years 1982–83 through 1987–88 and used to derive estimates of the special education expenditure per special education student for that period of time. These data suggest an average rate of growth in special education

expenditures per special education student of 5.6 percent per year for this time period, as shown in Table 2-9. (This seems to conform with the 5.1 percent rate of growth reported separately by 12 states responding to CSEF's survey on special education costs.) Based on these various estimates, it appears that the average change in special education expenditures per pupil over this period of time has been about 4.1 to 5.6 percent per year.

Table 2-9. Changes in Special and General Education Expenditures per Pupil Over Time (Expressed in 1989–90 Dollars)[A]

Year	Expenditures	Average Annual Percent Change: By Time Segment	Average Annual Percent Change: Overall Time Period
Average Expenditures per Special Education Student: Based on national cost studies, excluding general education costs[B]			
1968–69	$2,103		
1977–78	$3,820	6.9%	
1985–86	$4,153	1.1%	4.1%
Based on national data, excluding general education costs[C]			
1983–84	$3,862		
1986–87	$4,546		5.6%
Average Expenditures per General Education Student: Based on national cost studies, excluding special education costs[B]			
1968–69	$2,288		
1977–78	$3,270	4.1%	
1985–86	$3,247	(0.1%)	2.1%
Based on national data, including special education costs[D]			
1983–84	$3,963		
1986–87	$4,538		4.6%

Sources:

[A]The adjustment of data to 1989–90 prices is based on the Federal Composite Deflator.

[B]Rossmiller, R. A., Hale, J. A., & Frohreich, L. E. (1970). *Educational programs for exceptional children: Resource configuration and costs.* Madison, WI: National Educational Finance Project, Department of Educational Administration, University of Wisconsin; Kakalik, J. S., Furry, W. S., Thomas, M. A., & Carney, M. F. (1981). *The Cost of Special Education* [A Rand Note]. Santa Monica, CA: Rand Corp.; and Moore, M. T., Strang, E. W., Schwartz, M., & Braddock, M. (1988). *Patterns in special education service delivery and cost.* Washington, DC: Decision Resources Corporation.

[C]State-reported data published in annual reports to Congress (U.S. Department of Education, 1991, and various prior years).

[D]U.S. Department of Education, (1992b). *Historical trends: State education facts.* Washington, DC: National Center for Education Statistics; U.S. Department of Education, (1995b). *Projections of education statistics to 2005.* Washington, DC: National Center for Education Statistics.

The lower part of Table 2-9 shows two comparable measures of the change in general education expenditures per pupil over time. The first set of estimates is

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derived from the same three studies described above. Since an important purpose of these studies was to compare special to general education expenditures, expenditures on special education were carefully extracted from the general education estimates. This is important because it allows expenditures on special education versus general education to be compared in isolation from one another. As with the special education expenditures, the average expenditure per general education student changes at a faster rate during the time period between the first and second studies than between the second and third (4.1 percent vs. 0.1 percent).

A second set of data that can be used to compare the relative rate of growth in the average general versus special education expenditure per pupil comes from the State Expenditures Survey. These data hold an advantage over those from the national studies in that they are based on actual reported expenditures nationwide, rather than on the results of three separate studies with different samples of districts and data collection methods. On the other hand, they are less appropriate for comparative purposes because the general education expenditure does not exclude special education services. That is, the general education expenditure is derived by dividing total education expenditures, including special education, by total students. Thus, if the special education expenditure per student is rising at a faster rate than that for general education, as the data in Table 2-9 suggest, this measure of the rise in the general education expenditure will be somewhat overstated. The rate of growth in expenditures per special education student shown for this time period is 5.6 percent, compared to a 4.6 percent change in overall expenditures per student.

In sum, two bases for comparing growth in special education expenditures per special education student in relation to general education expenditures are presented in Table 2-9. Both bases of comparison have relative strengths and weaknesses, and neither provide a definitive answer to whether the special education expenditure per special education student is rising faster than for general education. However, both sets of indicators point to faster growth in the special education sector. On the basis of national cost studies, it appears that the average rate of growth in the special education expenditure per special education student is about twice that for general education (4.1 percent to 2.1 percent). On the basis of national data for the period 1983–84 to 1986–87, it appears that the growth differential is about 20 percent (5.6 percent to 4.6 percent). Based on these findings, it seems reasonable to estimate that the special education expenditure per student is growing at a faster rate than comparable general education

expenditures, and that this rate differential per year is somewhere between 20 and 100 percent.

Expenditures by Disability and Program Type

Tables 2-10 and 2-11 present cost information from 1985–86 (Moore et al. 1988) to compare per pupil expenditures for special and general education programs and to compare special education expenditures across different disability categories, placements, and supplementary services. These data are expressed in 1995–96 terms. As Table 2-10 indicates, the average expenditure per special education student, excluding general education services, is $5,136, while the average expenditure per general education student, excluding special education services, is $3,913. Based on these two figures, the average marginal cost of special education is about 1.3 times the average marginal cost of general education. The overall expenditure (special and general education services combined) per special education student is 2.3 times greater than the average expenditure per general education student, based on data from 1987–88. Table 2-10 also shows the variation in expenditure by type of disability and type of placement in which the services are received. Specifically, the table shows that average per pupil expenditures are higher for students with low-incidence disabilities and for students served in self-contained programs.

Table 2-11 summarizes the average expenditure by type of placement and by supplemental service. The per pupil expenditure ranges from $1,865 for resource programs to $39,864 for residential programs. The average expenditure per student receiving supplemental services ranges from $833 for related services to $2,228 for transportation. It is interesting to note the relatively high average costs of assessment services ($1,697) and transportation ($2,228). This is one reason why federal provisions under the recently reauthorized IDEA reduce assessment requirements somewhat, and why many states are looking to alternative short-term placement options prior to making referrals for special education assessment.

The high cost of transportation services is one reason why state policymakers are increasingly concerned about retaining categorical funding incentives for these services. There are questions of whether these funds subsidize separate placement options for students with disabilities and whether these children might be served more cost effectively in less restrictive neighborhood schooling environments.

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Table 2-10. Average per Pupil Expenditures for Special Education Programs by Disability and Program Type: 1985–86 School Year (Expressed in 1995–96 Dollars)*

Overall	
Average per Pupil Special Education Expenditure: (Excludes all General Education Services)	$5,136
Average per Pupil General Education Expenditure: (Excludes all Special Education Services)	$3,913
Marginal Special to General Education Cost Ratio:	1.3[A]
Total Special to General Education Student:	2.3[B]

	Program Type		
Disability	**Preschool**	**Self-Contained**	**Resource**
Speech Impaired	$4,310	$10,050	$911
Mentally Retarded	$5,606	$6,691	$3,223
Orthopedically Impaired	$6,618	$7,387	$5,629
Multihandicapped	$7,601	$9,394	na
Learning Disabled	$5,219	$4,339	$2,313
Seriously Emotionally Disturbed	$6,048	$6,836	$3,688
Deaf	$8,123	$11,243	na
Deaf-Blind	na	$28,736	na
Hard of Hearing	$6,451	$8,527	$4,746
Other Health Impaired	$4,565	$6,731	na
Autistic	$8,818	$10,672	na
Visually Impaired	$5,726	$8,700	$4,778
Noncategorical	$5,188	$5,185	$2,436

*The adjustment of 1987–88 data to 1995–96 prices is based on the Federal Budget Composite Deflator.
Source: Moore et al., (1988).
[A] Figure derived by dividing $5,136 by $3,913.
[B] Figure derived by ($5,136 + $3,913) / $3,913.

Table 2-11. Average per Pupil Expenditure for Programs and Supplemental Services 1985–86 School Year (Expressed in 1995–96 Dollars)*

Program Type	National Average per Pupil Expenditure 1985–86 Expenditures
Instructional Programs	
Preschool	$4,838
Self-contained	$5,958
Resource Program	$1,865
Home/Hospital	$4,387
Residential	$39,864
Supplemental Services	
Special Vocational	$2,032
Related Services	$833
Adaptive Physical Education	$866
Assessment	$1,697
Transportation	$2,228

*The adjustment of 1985–86 data to 1995–96 data is based on the Federal Budget Composite Deflator.
Source: Moore et al., (1988).

Expenditures Across Services

Figure 2-1 presents the distribution of special education expenditures by major service delivery component for the 1985–86 school year (Moore et al., 1988). As shown in the figure, 62 percent of special education expenditures went to instructional programs,[11] 13 percent to assessment,[12] 11 percent to support services,[13] and 10 percent to related services.[14] Special education transportation, only for students with disabilities, represented 4 percent of total special education expenditures.

Although this information is dated, there may be little reason to expect dramatic changes in these percentage allocations. With increasing sensitivity to scarce resources for public education and perceptions of the rising costs of special education, there is a growing interest in how special education dollars are being used. Especially salient are concerns about the high cost of assessment. These assessments are conducted almost exclusively to determine program eligibility. When special educators are asked what is the first thing they do when a new child is admitted to their program, they generally report that they reassess the child for instructional purposes. This latter form of assessment is not included in the 13 percent of the total costs shown in Figure 2-1. Much eligibility determination is done by school psychologists. At an estimated cost of $4.16 billion per year (13 percent of an estimated $32 billion annual special education

[11] The DRC report noted that instructional program expenditures included expenditures from all types of special education programs, such as preschool, resource, self-contained, as well as special vocational program and adaptive physical education. In addition, instructional program expenditures represented items such as salaries for teachers and aides, textbooks, and workbooks.

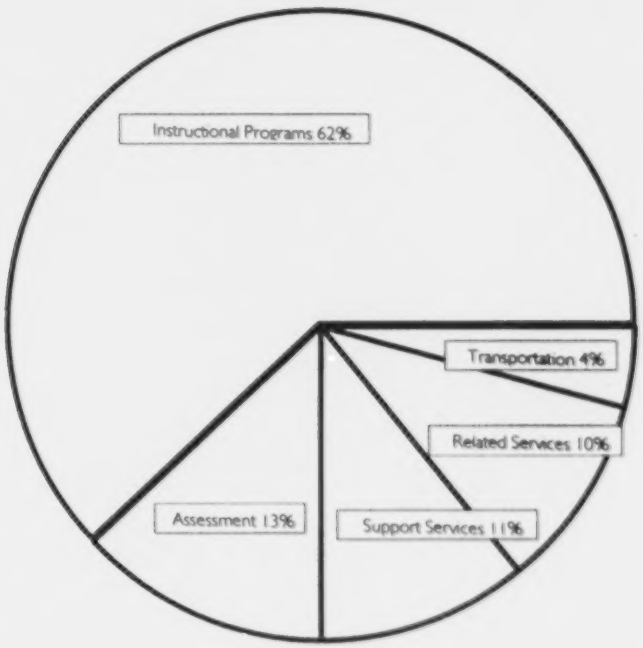
[12] Per the DRC report, assessment refers to staff, resources, and activities related to screening, evaluating, placing, and re-evaluating students for or in special education.

[13] Support services "include those performed at the level of the district or special schools in the district to assist or administer the delivery of special education programs in schools or other agencies. They encompass administrative function (e.g., the district director of special education, coordinator of Child Find or parent coordination efforts, a special school principal, and secretarial support staff), instructional support staff (e.g., district level special teaching consultants, in-service training specialists, special substitute teachers), and other support (e.g., any supplies, space, energy, maintenance, equipment, and construction) associated with these functions." (pp. 16–17)

[14] In the DRC report, related services encompassed services such as occupational therapy, physical therapy, speech/language therapy, psychological service, school health, social work, and guidance and counseling.

expenditure), questions are increasingly being raised as to whether so much assessment is needed and whether some of this school psychologist time could be used more effectively.

Figure 2-1. Distribution of Special Education Expenditures by Major Component



Source: Moore, M. T., Strang, E. W., Schwartz, M., & Braddock, M. (1988). Patterns in special education service delivery and cost. Washington, DC: Decision Resources Corporation.

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3. Conclusion

What do the data presented in this report suggest? Are special education enrollments and costs rising at a sufficiently fast level across the states to justify the significant concerns being expressed by educators and policymakers? Are special education costs absorbing an excessive portion of our public investment in education? As a recent article in CSEF's newsletter suggests, "the absence of recent, accurate, and comparable cost data may exacerbate the perception that special education expenditures are encroaching upon general education resources," and make it difficult "to clarify the magnitude, causes, and implications of [special education's] growth" (Wolman & Parrish, 1996).

Nevertheless, as this report suggests, the special education population has been growing at a significantly faster rate than the general education population. Add to this the prediction that the general education population will grow by over 10 percent over the next 10 years and the observation that special education expenditures per student have been growing at a faster rate than general education expenditures, and it is not hard to imagine considerable strain on special education budgets over the next decade (Parrish, 1996). Given the apparent shifts from state to local funding, this added stress may be especially hard for local districts to bear.

At the same time that the need for future programs and services is predicted to escalate appreciably, the demand for services already may be outstripping the availability of resources in some states. These trends suggest that a crossroad in special education policy may be upon us or quickly approaching. The fairly substantial policy changes included in the recently reauthorized IDEA appear to support this conclusion.[5] Current state interest in restructuring education is likely to continue to build, and will focus on efforts to increase the effectiveness of, as well as to contain expenditures on, programs for children with disabilities. If services are restructured, choices must be made about what changes should occur and which programs and services should be affected.

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[5] CSEF is currently developing a paper that analyzes the fiscal changes made under the reauthorized IDEA.

Current fiscal uncertainties also present opportunities for states to find ways to make better use of existing dollars in providing educational services. In fact, several states are using budget crises as an opportunity to look more closely at the effectiveness of programs and services with an eye towards pruning the least efficient while restructuring existing services for greater effectiveness.

How might needed efficiencies be gained? The data in this report, including policy-relevant input obtained through CSEF's survey of state special education departments, suggest several avenues for change. Possibilities include the following:[6]

- *Reduce unnecessary identification of students eligible for special education services*, including reducing fiscal incentives for identification. Some states, for example, are now examining the high cost of uniformly providing special education assessments to students with learning problems prior to providing support services (see Table 2-11). In part to reduce these costs, states are increasingly implementing prereferral intervention approaches prior to making special education referrals (see Table 1-9). This is also why states, as well as federal government, are considering special education funding formulas based on total district enrollment, rather than counts of students identified for special education services.

- *Increase integration across categorical program areas* (see Table 1-9). The continued separation of categorical programs is costly and can lead to a fragmented and inefficient set of schooling programs (McLaughlin, 1995; Verstegen, 1995). Consequently, educators at all levels are increasingly advocating implementation of a "seamless" set of educational programs and services to meet the needs of all students.

- *Meet increased demands for school-based accountability.* This includes increased emphasis on including students with disabilities in state and local assessments. This is part of a larger movement away from fiscal and procedural accountability toward results-based accountability—that is, accountability based primarily on *results* in the form of appropriate and identifiable individual student and schoolwide measures, rather than on the tracking of individual dollars to identified students.

- *Continue search for a needs-based funding system.* Such a system would vary with differences in true measures of student *need* rather than the number of students identified or the quantity and types of services being provided. Externally determined measures, beyond district control, could link funding to student service needs without creating incentives for local

[6] For an in-depth discussion of these and other alternatives, see Parrish (1997).

providers to label more students as "special education" or to provide one type of service over another. While this objective seems to run counter to the concept of census-based funding, some efforts are being made to tie them together. For example, new IDEA funds (beyond the $4.9 billion threshold) adjust census funding by a poverty factor. States are increasingly adding separate provisions for exceptionally high-cost students to their census-based formulas.

Fiscal policies that conflict with reform goals can hinder program reform, it is important to recognize that changes in fiscal policy alone are generally insufficient to result in program change. States reporting the most success in coordinating program and fiscal reform emphasize the need for financial incentives, or at least the removal of disincentives, as well as the provision of a comprehensive system of professional development and ongoing support to effect the desired changes.

Accountability questions are also integral to any discussion of special education finance reform. In this era of scarce resources, increased demand for services, and heightened scrutiny of measures related to education efficiency, concepts of accountability are more important than ever. They are also believed to be an essential component of policies relating to enhanced educational flexibility in the use of funds. As traditional accountability measures are relaxed to allow for more flexibility and freedom in the use of funds, what will replace them? Even special education advocates who support enhanced flexibility in the use of funds express concerns about replacing traditional accountability measures with simple trust. This places renewed importance on the development of more meaningful accountability measures that relate to indicators of successful development for the children being served.

Educators and policymakers are increasingly recognizing limitations associated with traditional accountability mechanisms. Especially in the categorical program areas, accountability checks have been more concerned with the *legal* use of funds than whether they are being used *well*. Linkages between student eligibility, student counts, and funding would certainly be less important if accountability systems could clearly measure the extent to which the children for whom these dollars are intended are making clear and sufficient educational progress. The development of such results-based accountability systems may well be among the most critical components in the design of future special education finance policy.

II. Abstracts of State Special Education Funding Formulas

ALABAMA

Until 1994–95, Alabama used three separate funding sources to distribute special education aid to local education agencies. The primary source of funds was distributed through a flat grant per teacher unit formula. Special education teacher units were allocated to school districts based on a weighted child count, which took into consideration both case loads by disability and student placement. Each teacher unit received a salary allotment according to a salary schedule based on rank of certificate. The second funding source was a fixed appropriation for special education activities not included under the teacher unit funding, such as transportation, renovation, and equipment acquisition.

A third source of state funding was a catastrophic trust fund to which local education agencies could apply in the event of unusual types of expenditures. Its primary purpose was to fund residential placements for students who were not benefitting from the public school program. There was also a separate appropriation made for special schools for students with disabilities.

As a result of a legal challenge, the weighted formula was discontinued in 1994–95. However, as the Alabama legislature failed to develop a new formula during their 1994 legislative session, the State Board of Education allocated special education funding on a *flat grant per student basis for the 1994–95 school year.*

A new formula was anticipated for the 1995–96 school year.

ALASKA

Alaska distributes special education aid on an *instructional unit basis*. Each student enrolled in a special education program generates instructional units depending on the type of services received, as follows:

• Resource Services	0.056
• Self-contained Services	0.100
• Intensive or Hospital/Homebound Services	0.333

Each district receives a minimum of 1.00 instructional unit for special education. Each instructional unit generates a specific amount of funds, determined on an annual basis by the legislature.

ARIZONA

Arizona distributes special education aid using a *weighted pupil formula* that is part of a system used for distributing regular education funds and funds for other special programs, including bilingual and vocational education. Several weighting factors are included in the formula. Each district receives a base weight of 1.000 for preschool students with disabilities and for students in kindergarten through eighth grade, and a weight of 1.163 for high school students. The base weight per student is increased for districts with a total student count of less than 600 pupils.

For special education, an additional weight is added to the student's base weight depending on the special education program. The result is the weighted student count, which is used to calculate the district's budget capacity and state aid. Weights for special education students fall within two groups as follows:

■ Group A

The Group A weights are added to the student base weight and applied to the prior year's total student count to generate a weighted student count. Group A includes students in educational programs for specific learning disability, emotional disability, mild mental retardation, remedial education, speech/language impairment, homebound, bilingual, preschool moderate delay, preschool speech/language delay, other health impairments, and gifted. The Group A weight for students in preschool programs is 0.450, grades K–8 is 0.158 and grades 9–12 is 0.105. Funds generated under this group are distributed as a block grant to the district and need not be targeted to the specific students generating the funds, provided that all eligible students receive appropriate services.

Group B

Special education students falling within Group B generate funds through weights which are also applied to the prior year's count of students served in the indicated programs.

• Hearing Impaired	2.353
• Multiple Disabilities/Autism/Severe Mental Retardation—Resource	0.762
• Multiple Disabilities/Autism/Severe Mental Retardation—Self-contained	2.489
• Multiple Disabilities with Severe Sensory Impairment	4.079
• Orthopedically Impaired—Resource	0.603
• Orthopedically Impaired—Self-contained	2.678
• Preschool Severe Delay	2.500
• Emotional Disabilities—Private	1.500
• Moderate Mental Retardation	2.084
• Visually Impaired	2.928

Finally, the total weighted student count is weighted by a teacher experience index that accounts for the number of aggregate years of experience of the district's teachers in excess of the state average.

ARKANSAS

In 1994–95, Arkansas administered its special education aid using a *weighted pupil formula* that included provisions for funding regular education, vocational education, and gifted and talented programs. For each district, weighted average daily membership was computed based on the district's average daily membership plus "add-on" weights for special education, vocational education, and gifted and talented. The weighted average daily membership was calculated by taking the average daily membership for each placement type and multiplying that figure by the weight assigned for that particular placement. The "add-on" weights were as follows:

• Itinerant	0.40
• Resource Room	0.85
• Self-contained (Ratio 1–15)	0.70
• Self-contained (Ratio 1–10)	1.10
• Self-contained (Ratio 1–6)	2.00
• Special Day School	2.35

State funds are set aside to reimburse Local Education Agencies (LEAs) on a quarterly basis during the "current" year for the educational costs for students with disabilities placed in approved residential treatment facilities at a rate of 4.1 [base (1) plus the previous weight (3.1)] times the state Base Equalization Rate. This amount is divided by the number of school days in order to calculate a per day amount. The LEA must submit an application for reimbursement for students with disabilities served in a residential facility.

Beginning with the 1996–97 school year, Arkansas will administer its education aid using a formula that includes provisions for a minimum expenditure requirement for special education. Under the new formulas, each LEA's *minimum expenditure requirement for special education* will be based on (1) the LEA's 3-year average percentage of students receiving special education services (not to exceed 12.5 percent) multiplied by the LEA's average daily membership. The result is then multiplied by .64 times the base local revenue per student to determine the minimum special education expenditure for that LEA.

The funding mechanism for students with disabilities placed in approved residential treatment facilities will not change.

CALIFORNIA

California distributes special education funds to Local Education Agencies (LEAs) based on *allowable instructional units*. The formula was designed to account for differences among LEAs in costs and the needs of the students they serve. Each Special Education Local Plan Area (SELPA, a regionalization of services) may receive state special education funding for a maximum of 10 percent of its total K–12 enrollment. SELPAs are further limited to the percentage of students that can be served within three types of instructional settings, as follows:

- Special Day Classes 2.8 percent
- Resource Specialist Programs (pull-out programs) 4.0 percent
- Designated Instruction and Services (special services or related services) 4.0 percent

The SELPA divides the number of authorized students in each instructional setting by a figure that can be viewed as an overall student-teacher ratio to determine the number of funded units (classes) in each instructional setting to

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which the SELPA is entitled. The student-teacher ratios for each instructional setting are:

- Special Day Classes 10:1
- Resource Specialist Programs 24:1
- Designated Instruction and Services 20:1

The amount of funds each LEA receives for its allowable instructional units is based on reported 1979–80 personnel costs for each type of instructional setting. Those costs, adjusted annually for inflation, are used to determine each LEA's unit rate, which varies widely among school districts. The unit rate determines each LEA's entitlement for direct instructional services.

LEAs are also entitled to funding for support services which cover direct and indirect operating costs. The amount of funds to which each LEA is entitled is determined by the ratio of the LEA's 1979–80 support costs to its 1979–80 instructional personnel costs, which were adjusted for SELPAs that were above the statewide average. This support service ratio is multiplied by the LEA's entitlement for instructional personnel to determine the LEA's entitlement for support services.

Additional funds are available for districts with special circumstances, such as population sparsity or density, or enrollment growth.

COLORADO

For the 1994–95 budget year and budget years thereafter, each administrative unit (local education agency) that maintains and operates special education programs (approved by the State Department of Education) for the education of children with disabilities is entitled to a *base amount of state funding of no less than the state base amount received for the immediately preceding budget year*. Such state funding is provided out of the appropriation made to the State Department of Education for payment of costs incurred by administrative units for the provision of special education programs. The initial base amount (fiscal year 1993–94) was established by a *percentage cost reimbursement formula*.

After the State Department of Education determines the base amount to which each administrative unit is entitled, any remaining portion of the appropriation

made to the Department is prorated to those administrative units providing special education services to more children than during the immediately preceding budget year, based on each unit's share of the total number of additional children in the state being provided special education services.

CONNECTICUT

Connecticut administers a *cost reimbursement formula* where school districts are reimbursed between 0 and 70 percent of their net cost of special education for the preceding year. The net cost of special education is defined as

> "the result obtained by subtracting from the expenditures . . . the total amount of any funds from other state or federal grants, private grants or special education tuition . . . used to implement special education program(s) . . . "

The percentage reimbursement received by each town is based on a general education equalization aid formula, which ranks towns on their ability to pay for education based on their assessed property values. Thus, the wealthiest towns receive 0 percent of their net cost from state aid, while the least wealthy districts can receive as much as 70 percent of their costs and contribute only 30 percent from local sources.

"Catastrophic costs" legislation requires that districts be financially responsible for the reasonable costs of special education instruction in an amount equal to five times the average per pupil educational costs of the district for the prior fiscal year. The State Board of Education would pay on a current year basis any costs in excess of the local district's basic contribution. The local district's share of the total costs would be reimbursed (0–70 percent) in the year immediately subsequent to the district's expenditure. "Catastrophic costs" can be applied to extraordinarily expensive out-of-district or in-district costs.

In addition, if a state agency other than the State Education Agency (SEA) places a child in a residential facility for "other than educational reasons," the school district where the child was a resident must provide an appropriate special education program for that child. The responsible district's share of such educational cost is 2.5 times the average per pupil cost for the prior fiscal year. The State Board of Education pays (on a current year basis) any costs in excess of the responsible district's basic contribution. The local district's contribution is

reimbursed (0–70 percent) in the year immediately subsequent to the expenditure.

Although "catastrophic costs" and "state agency" placement costs are reported along with all other special education expenditures, the total amount of special education aid received under both provisions is deducted from the total state aid otherwise generated, since a district received it on a current year basis.

DELAWARE

Delaware administers a special education reimbursement program based upon *enrollment units*. These units are calculated by the State Board of Education and are based on the total enrollment in the district as of the last day of September. The sum of all units of all programs in a district are multiplied by 93 percent, which becomes the district's "guaranteed unit count."

The teacher/pupil ratios for special education instructional units are as follows:

- Educable Mentally Handicapped 1:15
- Socially or Emotionally Maladjusted 1:10
- Learning Disabled 1:8
- Blind 1:8
- Autistic 1:4
- Severely Mentally Handicapped 1:6
- Orthopedically Handicapped 1:6
- Trainable Mentally Retarded 1:6
- Intensive Learning Center Units 1:8.6
- Partially Sighted 1:10
- Partially Blind 1:8
- Partially Deaf 1:6
- Deaf-Blind 1:4
- Homebound From block grant to Local Education Agencies

DISTRICT OF COLUMBIA

The District of Columbia Public Schools is considered to be a single State and Local Education Agency and is unique in its governance and funding. There is no special education funding formula.

FLORIDA

Florida administers a *weighted pupil formula*, the Florida Education Finance Program (FEFP). The FEFP accounts for varying local property tax bases, cost factors, cost differentials among districts and differences in per student cost for equivalent educational programs due to sparsity and dispersion of student population. FEFP funds are generated by multiplying the number of full-time equivalent (FTE) students in various types of educational programs by cost factors to obtain weighted FTEs. Weighted FTEs are then multiplied by a base student allocation which is established annually by the legislature. Program cost factors are also established by the legislature based on program expenditures during the three previous years. For 1994–95, the special education cost factors are as follows:

• Educable Mentally Handicapped	2.226
• Trainable Mentally Handicapped	2.934
• Physically Impaired	3.285
• Physical and Occupational Therapy (part-time)	11.759
• Speech, Language and Hearing (part-time)	5.312
• Speech, Language and Hearing	3.103
• Visually Impaired (part-time)	16.168
• Visually Impaired	4.558
• Emotionally Handicapped (part-time)	3.859
• Emotionally Handicapped	2.740
• Specific Learning Disability (part-time)	2.766
• Specific Learning Disability	1.939
• Hospital and Homebound (part-time)	2.606
• Profoundly Handicapped	4.391
• Gifted (part-time)	1.785

Students may be weighted in more than one category to a maximum of 25 hours per week if they receive services under more than one category.

Students mainstreamed into basic classes with supplementary aides, equipment, or consultative services can receive double the basic funding weight for the time spent in the mainstream setting.

Changes to this formula were piloted during the 1994–95 and 1995–96 school years.

GEORGIA

Georgia administers a *weighted pupil formula*, Quality Basic Education (QBE) funding, to distribute funds for all instructional programs, including special education. QBE funds are generated by multiplying the number of full-time equivalent (FTE) students in various types of instructional programs by program weights. The weighted FTEs are then multiplied by a base program amount established annually by the legislature. The program weights are reviewed triennially by a task force appointed by the Governor. For 1994–95, the special education program weights are as follows:

- **Category I**

Self-Contained Specific Learning Disabled and Self-Contained Speech-Language Disordered	2.27

- **Category II**

Mildly Mentally Handicapped	2.620

- **Category III**

Behavior Disordered, Moderately Mentally Handicapped, Severely Mentally Handicapped, Resourced Specific Learning Disabled, Resourced Speech-Language Disordered, Self-Contained Hearing Impaired and Deaf, Self-Contained Orthopedically Handicapped, and Self-Contained Other Health Impaired	3.320

- **Category IV**

Deaf-Blind, Profoundly Mentally Handicapped, Visually Impaired and Blind, Resourced Hearing Impaired and Deaf, Resourced Orthopedically Handicapped, and Resourced Other Health Impaired	5.541

Additional funds are provided to districts to pay the state minimum salaries, based on the training and experience of the district's certificated professional personnel in each instructional program.

HAWAII

Hawaii is unique because it operates as a single school system and thus provides full state funding. There is no prescribed funding formula. Rather, the legislature negotiates a biennial school budget based upon the expressed and demonstrated need presented by the State Department of Education. Each program within the department then administers its appropriations within the subdistricts of the islands. The distribution of the appropriations is made according to a specific plan which must be developed annually by the program office and approved by the State Superintendent of Education.

IDAHO

Idaho administers a special education funding program that is based on *exceptional child support units*. The exceptional child support program provides a fixed rate reimbursement to districts based on their total special education enrollment and on the number of special placements (students residing in state institutions, intermediate care facilities, and residential facilities) educated by the district. Elementary students are weighted more heavily than secondary students.

A separate funding mechanism is used to reimburse school districts for contracts for special education services with other agencies, up to an annually determined maximum amount of state funding less the district's annual tuition rate. In interdistrict service contract arrangements, the district receiving service pays the district providing service its local annual tuition rate.

ILLINOIS

Illinois distributes funds to school districts or cooperatives to assist in paying salaries of personnel hired to provide special education services. Districts are reimbursed a *fixed rate for personnel salaries* as follows:

- Hospital/homebound instruction for all eligible children—one-half of the teacher's salary, but not more than $1,000 annually per child or $8,000 per teacher, whichever is less.

- Readers for the blind or partially sighted—one-half of their salary, but not more than $400 annually per child.

- Noncertified employees—the lesser of one-half of the salary or $2,800 annually per employee.

- Full-time professional personnel—$8,000 per special education certified teacher, state approved special education director, related services provider, registered therapist, professional consultant, and special education administrator or supervisor.

When a school district or special education cooperative operates an approved school or program in excess of the adopted school calendar, personnel reimbursement is available at 1/185 of the amount or rate paid. A maximum of 235 days is allowed.

In addition to personnel salary reimbursements, the following special education funding is provided:

- Assistance to school districts in paying the costs of tuition for students placed by the district in approved day or residential nonpublic schools in the state, and public and nonpublic schools outside the state. School districts are required to pay the actual cost of tuition and related services provided, or $4,500, whichever is less. Districts are reimbursed by the state for tuition that exceeds the district per capita tuition rate, up to $4,500. If the tuition exceeds $4,500, the district pays a second amount equivalent to its per capita tuition rate and the state reimburses the remaining cost.

- Assistance to school districts in paying the costs of educational programs for students with disabilities who require extraordinary special education facilities and/or services. Reimbursement is provided for the per capita cost of educating these children for the amount that is in excess of the district per capita tuition charge for the prior year or $2,000, whichever is less.

- Reimbursement for the actual costs of educating eligible children with disabilities who reside in orphanages, foster family homes, children's homes, or state housing units.

- Reimbursement for 4/5 of the cost of transportation for each child who requires special transportation service in order to take advantage of special education facilities.

- Reimbursement for children eligible under the first two points above, and enrolled in summer school for at least 60 clock hours.

INDIANA

Indiana administers a *weighted pupil formula* to distribute special education resources, with specific weights assigned to individual categories of disability as follows:

• Multiply Handicapped	2.37
• Physically Handicapped	2.04
• Visually Handicapped	2.70
• Hearing Impaired	2.73
• Emotionally Disturbed (full-time services)	2.52
• Emotionally Disturbed (all others)	0.94
• Neurologically Impaired/Learning Disabled (full-time services)	2.52
• Neurologically Impaired/Learning Disabled (all others)	0.94
• Communication Handicapped	0.19
• Educable Mentally Retarded	1.20
• Trainable Mentally Retarded	1.51
• Severely/Profoundly Mentally Retarded	2.37
• Homebound	0.57

These weights are add-on calculations for children in approved programs. Eligible children are also included in the basic aid formula. For 1994–95, the base amount per child was $1,620.

If special education services are provided more than 50 percent of the instructional day, the student may be counted as "full-time" for reimbursement purposes. Where the services are provided is not important—the amount of services is. Thus, a student who is served all day in a general education classroom (inclusion) who receives special education services more than 50 percent of the day is counted full-time.

IOWA

Iowa uses a *weighted pupil formula* to distribute aid for special education instructional programs, which is integrated into the total educational finance system of the state. Pupils in a regular curriculum are assigned a weight of 1.0. For special education students, the 1994–95 weighting scheme applies three different weights, as follows:

• Special adaptations to regular classroom	1.68
• Resource room (maximum teacher-pupil ratio of 1:18)	1.68
• Special class with integration (maximum teacher-pupil ratio of 1:12 or 1:15)	1.68
• Self-contained placement with minimal integration	2.35
• Self-contained placement with no integration (maximum teacher-pupil ratio of 1:5)	3.54

A pupil requiring special education is assigned one of the three weights and generates special education funds at that weight times the district cost per pupil, which varies from district to district.

A network of 15 intermediate districts provides special education support services to the identified special education population. Such services include special education supervision, therapeutics, speech, social workers, consultants as required, and other support services. Funding for support services is determined by a per pupil cost for each intermediate agency and the intermediate agency's weighted enrollment.

KANSAS

Kansas distributes special education aid to school districts on a *flat grant per unit basis*. A "unit" is defined as one full-time equivalent (FTE) teacher, administrator, or related services professional or paraprofessional. For funding purposes, paraprofessionals are counted as 2/5 FTE special teacher.

The legislature makes an annual appropriation for special education from which is subtracted reimbursements to school districts for student transportation and staff travel allowances. Reimbursement of up to 80 percent of actual expenses (up to $600) incurred for the maintenance of an exceptional child at some place

other than the residence of such child for the provision of special education services is also subtracted from the annual special education appropriation.

From the remainder, funds are distributed to districts based on the proportion of FTE special education teachers in each district to the total number of FTE special education teachers employed by all school districts. Note that special education teachers in excess of the number of special education teachers necessary to comply with authorized pupil-teacher ratios are not counted for funding purposes.

KENTUCKY

Kentucky uses a *weighted pupil formula* to distribute special education funds, which is integrated into the general aid formula. All students generate money for a school district based on average daily attendance (ADA). Students with disabilities ages 5 through 20 generate an *exceptional child add-on* based on categories of disability. The exceptional child add-on is multiplied times the base amount awarded for ADA (determined annually by the Division of Finance, based on available funds). For the 1994–95 school year, the exceptional child add-ons were as follows for children identified as:

- Trainable, Severe/Profound, Hearing Impaired, Visually Impaired, Emotional Behavior Disabled, Deaf-Blind, Autistic, Traumatic Brain Injured, and Multiply Disabled — 2.34
- Educable, Orthopedically Impaired, Other Health Impaired, Specific Learning Disabled, and 5-year-old Developmentally Delayed children — 1.17
- Speech or Language Disabled Only — 0.24

LOUISIANA

In transition to a new weighted formula, school systems in Louisiana receive *actual costs for special education services for the prior year plus 2 percent*. This is adjusted to actual costs at the end of the current year. Student/staff ratios exist to assist school districts with their staffing requirements for supervisors, teachers, aides, therapists and appraisal personnel. Special education attendants

for buses on which eligible children are transported are funded through transportation funds at a fixed rate for all approved attendants.

Additional funds are provided on request of districts for transportation, lifts for buses, equipment and supplies, appraisal, occupational therapy, and physical therapy. These funds are distributed on a first-come, first-served basis. Supplemental funds are also available for extended school year programs.

Louisiana has used this transition formula since the 1992–93 school year. A pupil weighting formula was anticipated for the 1995–96 school year.

MAINE

Maine administers a special education subsidy formula which provides a *percentage subsidy to school districts for specified costs*. The special education costs that are subsidized include the salary and benefits of certified professional personnel (administrators, teachers, and educational specialists assigned to provide or administer special education services), approved assistants or aides, clerical staff, and qualified independent contractors performing special education services or supportive services.

Costs are also subsidized for tuition, board, and supportive services paid to other school units or private schools which have been approved by the Commissioner for the provision of special education and supportive services.

Subsidies on these costs are based on two-year-old costs. The state subsidizes the costs of programs and services for state wards and state agency clients at 100 percent of costs. These costs are subsidized in the year the program is provided.

Local districts are required to provide at least 45 percent of the costs, depending on assessed property value, while the state subsidy provides the remainder.

MARYLAND

Maryland uses a two-tiered approach to distribute special education funds to school districts. The first tier, developed in 1977, distributes a flat $70 million on a grant basis resulting in a general 70 percent state and 30 percent local revenue contribution. The formula distributes funds based on the 1981 total student population and is designed to equalize the state contribution based on property wealth, and to apply a cost index bringing counties up to the statewide median per pupil expenditure while freezing those who exceed the median. This first tier has been frozen at the 1981 calculation.

A second tier was developed in response to recommendations made by a 1986 Task Force that studied state special education funding. Any additional funds for special education which may be appropriated by the legislature on an annual basis ($11.25 million currently) are distributed according to several Task Force recommendations: (1) enrollment data representing the total numbers of children with disabilities, 0–21, served by each local school system; and (2) an equalization component which consists of a ratio of county wealth per pupil to the average state wealth per pupil.

In addition, the state reimburses local school systems for costs associated with placing students with disabilities in intensity V and VI nonpublic education facilities. This reimbursement becomes effective once the local school system has first paid the equivalent of their 300 percent local basic costs per pupil towards the placement. Costs incurred after this 300 percent amount are shared by the local school system (20 percent) and by the state (80 percent). Currently, the state reimburses the local school systems approximately $51 million.

MASSACHUSETTS

The Commonwealth of Massachusetts' funding of education is based on the *full student census* in the school districts. Special education is one element of the overall determination of a "*foundation funding level*" for each school district. The foundation is based on educational assumptions about the resources required to operate a school. Calculation of the foundation funding level is based on a set of assumptions about class size, teacher salaries, and school physical plant operations, as well as other factors such as school district size and composition. Additional funds are allocated in the "foundation" for special education, based

on the assumption that a full-time equivalent (FTE) of 4.5 percent of the student census needs additional services for special education based on the following:

- 1 percent FTE assumption of students needing out-of-district placements
- 3.5 percent FTE based on an assumption of 14 percent of the full student census receiving special education services in-district for one-quarter of the school day (14 x .25 = 3.5).

Calculation of the foundation is predicated on the goal of moving every district in the state towards spending the minimum foundation level by the year 2000. The amount of funds provided by the state to individual districts varies inversely with district wealth and per capita income.

In addition to this foundation formula, the state pays up to 50 percent of tuition for out-of-district residential placements in schools approved by the state for special education.

MICHIGAN

Michigan administers an *excess cost formula* to distribute categorical special education aid to school districts. Total approved direct special education costs plus indirect costs for operation and maintenance (up to 15 percent of direct costs) are calculated. From this amount is subtracted general per pupil membership aid, calculated on a full-time equivalency (FTE) basis for students enrolled in special education programs, to determine added costs.

The added cost is funded by the state at variable percentage rates based upon available funds. For state or court placements, 100 percent of added cost is paid. For other services, the added cost has been reimbursed at 12 percent to 20 percent for the past few years.

Special education transportation is reimbursed on a formula basis that includes such factors as bus fleet capacity, regional salary costs, amortization, insurance, and overhead.

In addition to state aid and local school district revenue, each of Michigan's 57 intermediate school districts (ISDs) has passed a special education millage. The average is 2.4 mills. The revenues from this county tax are used for special

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education programs and services. The ISDs also provide direct and support services for local school districts within the ISD. Most of the ISDs also distribute a portion of the tax to local districts to be used for special education.

MINNESOTA

Minnesota distributes special education aid to school districts for a portion of personnel costs. Reimbursement for personnel is a *salary-based formula* comprised of state aid and local school district levy. A fixed percentage of aid is paid on contracted personnel, (not employed by the district), supplies and equipment, and home-based travel for early childhood programs. Student contracted services and residential placements receive a percentage of aid based on the difference between the cost of the program and general education revenue received. The aid formulas for 1994–95 are as follows:

- *Salaries 1994–95:* 55.2 percent of salary expenditure of regular school district employees, not to exceed $15,320 in aid. Full-time employees with salaries in excess of $27,753 are subject to the $15,320 aid limitation. Part-time salaries and aid are prorated accordingly. Districts may levy for the difference between the cap of $15,320 (prorated) and full 66 percent of salary.

- *Personnel Contracts:* 52 percent of expenditure. Personnel contracts are for persons who are NOT regular employees of the school district.

- *Instructional Supplies and Equipment:* 47 percent of the cost of instructional supplies, materials and equipment, not to exceed an average of $47 of aid per disabled child as determined by the duplicate child count. (Note: The summer school formula does not provide aid for supplies and equipment. However, supplies and equipment can be purchased during the regular school term for the subsequent summer school program.)

- *Student Contracts:* 52 percent of the cost of the education program AFTER general education revenue has been subtracted from the expenditure.

- *Early Childhood Home-Base Staff Travel:* 50 percent of expenditure for staff travel for essential personnel providing home-based service to children under age 5.

- *Special Pupil:* 100 percent of the cost of the education program AFTER general education revenue has been subtracted from the expenditure. This aid is limited to residential placement of students for whom no district of residence can be determined.

- *Residential:* 57 percent of the cost of the education program AFTER general education revenue has been subtracted from the expenditure.

Changes to this formula were anticipated for the 1995–96 school year.

MISSISSIPPI

Mississippi distributes special education aid based on *approved teacher units*. An annual state appropriation reflects an allocation of a specific number of teacher units, based on an estimate of the number of teachers that will be needed in the following year.

Funding for an approved special education unit is based on the teacher's salary, fixed charges, and support services. The level of preparation and experience of each teacher and the current level of funding for supportive services are the basis for the amount allocated per teacher unit. Special education teacher units are allocated as an integral part of the basic funding formula and are in addition to "regular" teacher units earned based on the average daily attendance of students.

MISSOURI

Missouri distributes funds for special education programs based on a *flat grant per approved class of students*. Funds received for special education programs are in addition to the amount received from the basic per child foundation program. In 1994–95, special education funds were distributed as follows:

- $14,050 for each approved class of children
- $7,340 for each professional staff member other than classroom teachers
- $3,670 for each full-time teacher aide
- $1,530 for each homebound student
- One dollar for each child under 21 enumerated on the annual census of students with disabilities
- Three to four-year-old programs reimbursed at 100 percent of approved cost

MONTANA

Montana administers a block grant to school districts and cooperatives wherein funding levels for instructional activities and related services are calculated separately based on total school population. Districts must provide a local match of one dollar for every three dollars of state funding. If district expenditures for approved allowable costs of special education are insufficient to demonstrate match, the district faces a reversion in funds the following year that is proportional to the shortfall in local funding. Expenditures are tallied from the annual Trustees Financial Summary submitted by each district and cooperative, according to the predetermined list of allowable special education cost codes.

A district may be reimbursed if it experiences disproportionate costs in providing special education services. Disproportionate costs are those that exceed 100 percent of the sum of all block grants and district match requirement. Reimbursement is based on a 65:35 state:district ratio.

Cooperative boundaries are fixed at the state level, and cover the whole state. Schools are encouraged to participate in their local cooperative, but they are not required to do so. If a school participates, the block grant amount for related services is sent directly to the cooperative, and the school is charged with the responsibility of making matching fund payments to the cooperative. Cooperatives are given an additional formula-driven allocation to supplement additional costs of travel and administration.

Based on the rules of calculation, it is possible (virtually certain) that the sum of all block grants, cooperative special allocations, and reimbursable expenditures will exceed the special education appropriation. In this case, a prorated percentage is calculated and applied to all funding figures such that the total of the funding equals the money available. For school year 1994–95, the prorate decreased the nominal 3:1 state:district share for block grants to about 2:1.

NEBRASKA

Nebraska administers an *excess cost formula* for school age (5–21) special education programs, in which school districts are reimbursed for a percentage of the allowable excess cost of the preceding year's special education programs. Excess cost is defined as the difference between (1) the total allowable cost of the special education programs excluding residential care and student transportation, and (2) the number of students (full-time equivalency) in the special education program multiplied by the adjusted average per pupil cost of the resident school district of each child for the preceding school year. Allowable costs include:

- Salaries and fringe benefits of special education staff
- In-service costs directly related to special education
- Travel costs of special education staff
- Travel costs of parents to attend educational planning meetings held outside the resident district
- Instructional equipment, supplies, and publications
- Contracted special education services
- Costs of acquisition, renovation, and operation of mobile learning centers

School districts provide school age special education programs by the following levels of service:

- *Level I*—Support services provided to students who require an aggregate of not more than 3 hours of service per week. Level I support services may be provided directly or contracted and include all special education administrative, diagnostic, consultative, and vocational adjustment counselor services.

- *Level II*—Special education and related services that are provided outside of the regular class program for a period of time exceeding an aggregate of 3 hours per week.

- *Level III*—Special education and related services that are provided in an approved educational setting not operated by the resident school district. Special education services are provided for a period of time exceeding an aggregate of 3 hours per week.

School districts are reimbursed for 90 percent of the allowable excess costs for Level II and Level III programs. Level I services are reimbursed at 80 percent of allowable costs.

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Early childhood programs (below age 5) are paid concurrently at 90 percent of allowable costs. Allowable costs for early childhood programs are the same as school age (listed above), with the addition of facility costs, which are limited to plant operations, maintenance, repairs, and lease costs.

Reimbursement for costs associated with transportation of children with disabilities is also reimbursed concurrently at 90 percent for both early childhood and school age programs.

NEVADA

Nevada administers a *flat grant per unit* funding mechanism to distribute special education aid as an integral factor in the Nevada Plan, the program used to finance elementary and secondary education in the state.

Special education is funded on an *instructional unit basis*, at a legislatively approved amount per organized instructional unit. An organized instructional unit includes the full-time services of licensed personnel providing an instructional program in accordance with minimum standards prescribed by the State Board of Education. The special education unit appropriation is added to the total basic support per district to provide a guaranteed amount of funding to a local school district.

Special discretionary units are reserved by the State Board of Education for distribution to districts on a special need basis.

NEW HAMPSHIRE

New Hampshire administers an *equalized weighted pupil formula* to distribute state aid for elementary and secondary education programs, including special education and vocational programs.

The weights assigned to students with disabilities are designed to reflect the differences in education costs among the disability classifications of children when compared to the average current operating expenditure to educate a resident pupil in grades K–8 who is not disabled. An elementary student who is

not disabled carries a weight of 1.0. For students with disabilities, weights are assigned by program, as follows:

- In-district, within a self-contained special education classroom 2.57
- In-district, without placement in a self-contained special education classroom 2.57
- Out-of-district day placement 7.08
- Residential placement 8.72
- Preschool day placement 3.37

In calculating the amount of state aid to which a district is entitled, an equalization formula is applied to the weighted pupil count to reflect three factors: the property wealth, the personal income wealth, and the tax effort of a school district.

In addition, the state appropriates at least $1 million annually to assist school districts in meeting catastrophic costs in their special education programs. Catastrophic aid is available for students for whom the costs of special education exceed 3.5 times the state average expenditure per pupil. The amount of catastrophic aid that a district can receive is calculated using an equalized formula and may not be more than 80 percent of catastrophic costs exceeding 3.5 times the state average expenditure per pupil.

NEW JERSEY

New Jersey administers a *weighted pupil formula* to distribute state aid for special education. The weights listed below for each of the program categories are multiplied by pupil incidence in each of the programs. The resulting "categorical aid units" are multiplied by the state base allocation to determine the level of state special education funding, which is additional to general education aid. Weights are adjusted periodically, but have been frozen since 1991. For 1994–95, the weights include:

- Educable Mentally Retarded 0.60
- Trainable Mentally Retarded 0.99
- Orthopedically Handicapped 1.70
- Neurologically Impaired 0.42
- Perceptually Impaired 0.12
- Visually Handicapped 2.79
- Auditorially Handicapped 1.63

- Communication Handicapped 0.84
- Emotionally Disturbed 1.09
- Socially Maladjusted 0.67
- Chronically Ill 2.23
- Multiply Handicapped 1.05
- Preschool Handicapped (half day) 0.30
- Preschool Handicapped (full day) 0.60
- Resource Room 0.45
- Autistic 1.84
- Supplementary and Speech Instruction 0.18
- Homebound Instruction (no. of hours) 0.0025
- County Special Services District 1.38
- County Vocational Special Education 0.59
- Regional Day School 1.38

State Facilities

- Residential Facilities for Retarded 1.72
- Day Training Center 2.37
- Residential Youth Center 1.39
- Training School or Correctional Facility 0.56
- Child Treatment Centers or Psychiatric Hospital 1.03

Transportation aid is also funded.

NEW MEXICO

New Mexico administers its state aid for special education based upon *weighted program and pupil units*. Program units for related services are based on teacher time required to deliver services. Pupil units for special education are based on the amount of special education services received by the child. There are four pupil service classifications (minimum, moderate, extensive, maximum) and one related services classification. Each classification has a cost differential factor as follows:

- Minimum Services 1.1-0.57 units/student
- Moderate Services 1.1-0.83 units/student
- Extensive Services 1.9 units/student
- Maximum Services 3.5 units/student
- Related Services 20 units/FTE

A unit value is derived annually from the legislative appropriation for New Mexico Public Schools. Pupils are identified by the amount of service designations stated above, and revenue is distributed based on the product of the unit value and the cost differential factor. Student/staff ratios are established for each program classification, and an instructional staff training and experience index also is used.

NEW YORK

New York administers a *weighted pupil formula*, which is based upon intensity of service. Although a special education pupil does not have to be enrolled in a special class or resource program to generate special education aid, the student must be provided some special education services or approved related or support services to qualify for the additional aid. Weights, which are *not* adjusted on an annual basis, include:

• 60 percent or more of each school day in a special class	2.70
• 60 percent or more of each school day with special services or programs	2.70
• Home or hospital instruction for a period of more than 60 days	2.70
• 20 percent or more of each school week in a resource room	1.90
• 20 percent or more of each school week with special services or programs	1.90
• 100 hundred percent of each school day in a regular class with specially designed individualized instruction provided by or in consultation with a teacher of special education, and related services as needed	1.80
• Two or more periods each week of special instruction either in speech or in another special program or service	1.13

In addition to this weighted formula, the state provides funding for students with disabilities who are declassified. Aid for declassification support services is provided to school districts for the first year to help schools defray costs of providing necessary support for teachers and students.

High Cost Public Excess Cost Aid is provided to school districts for students with disabilities for whom the costs of special education exceed the lesser of $10,000 or four times the annualized expense per pupil.

Private excess cost aid is provided to school districts that contract with approved private schools, Special Act School Districts, and the two state operated schools. This aid is defined as the cost remaining after the deduction from the approved tuition charge of a basic contribution. The basic contribution is based on the school district's property and nonproperty tax levy per enrolled pupil. The private excess cost aid ratio is 85 percent for a district of average wealth. Aid increases from 85 percent for poorer districts and decreases to a minimum of a 50 percent aid ratio for wealthier districts.

NORTH CAROLINA

In North Carolina, state funds for special education are additional to basic education aid, which is based on *average daily membership* of school districts. Funds for exceptional education (which includes both special education and programs for the academically gifted) are distributed on a per child basis determined by dividing the total available state funds for exceptional children by the April 1 student headcounts of disabled and academically gifted students. Each district's allocation is determined by multiplying the per child amount by the total count of exceptional students.

The counts of exceptional children with disabilities in each local school district are limited to 12.5 percent of the average daily membership and 3.9 percent for academically gifted.

NORTH DAKOTA

For 1994–95, North Dakota distributed special education aid on an *approved program basis*. The Department of Public Instruction distributes funds for special education personnel based on three factors: the units of services provided by the district, the district's special education program costs, and the district's special education program needs.

Beginning with the 1995–96 school year, special education aid was to be distributed on a *population/average-daily-membership* basis. Another source of funding is available for catastrophic/high-cost cases. Districts will apply for these funds through itemization of allowable costs.

OHIO

Ohio administers a formula to fund special education programs and related services based on *special education units and individual reimbursement*. A special education unit is defined as the ratio of a full-time staff (i.e., 1.0 FTE) in relation to a minimum number of students with disabilities served by the special education unit staff member. Special education units vary in size depending on the exceptionality served. Eighteen different types of special education units are funded, as follows:

- Psychological Services
- Special Education Supervisor
- Speech and Hearing
- Occupational or Physical Therapist
- Work Study Coordinator
- Vocational-Special Educational Coordinator
- Hearing Handicapped
- Orthopedically Handicapped
- Visually Handicapped
- Multi-Handicapped
- Learning Disability
- Severe Behavior Disability
- Developmentally Handicapped
- Adapted Physical Education
- Supplemental Services Teacher

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- Preschool
- Orientation and Mobility Instructor
- Audiology Services

Unit funding is directly linked to a state minimum salary schedule, which is designed to reflect staff training and experience. Approved units for students who are gifted, child study, occupational or physical therapy, speech and hearing services, supervisors, and coordinators of special education units are funded at the total of the teacher's salary allowance plus 15 percent of the salary allowance for retirement and sick leave, as well as $2,132 (for 1994–95) per unit for additional costs. Approved units for students classified as developmentally handicapped and other special education classroom teacher units are funded at the total of the teacher's salary allowance, plus 15 percent of the salary allowance for retirement and sick leave, plus $8,023 (for 1994–95) per unit for classroom and other expenses.

Individual reimbursement for other services is based upon a set of formulas specified in the state rules governing special education. The following types of reimbursement are funded:

- Transportation
- Home Instruction
- Individual and Small Group Instruction
- Interpreter Services
- Occupational Therapy
- Physical Therapy
- Reader Guide
- Attendant Services

OKLAHOMA

Oklahoma utilizes a *weighted pupil formula* for distributing special education aid to school districts. In addition to the base support level per average daily attendance, the following pupil weights are applied based upon the December 1 count each year:

• Visually Handicapped	3.80
• Learning Disabled	0.40
• Hearing Impaired	2.90
• Deaf-Blind	3.80
• Mentally Retarded	1.30
• Emotionally Disturbed	2.50

• Gifted	0.34
• Multiply Handicapped	2.40
• Orthopedically Impaired	1.20
• Speech Impaired	0.05
• Other Health Impaired	1.20
• Deaf	2.90
• Traumatic Brain Injury	2.40
• Autism	2.40

In addition, Regional Education Service Centers are state funded at 100 percent to provide support services such as assessment, educational evaluation, and prescriptive teaching. Homebound programs are funded on an hourly basis.

OREGON

Oregon administers a *weighted pupil formula* that provides districts with twice as much revenue for special education students as for regular education students. Each district's basic state support amount is determined (in part) by the district's average daily membership-resident (ADM-R), a figure reported by the Oregon Department of Education's Office of School Finance. Students receiving special education services are included in the ADM-R and are also counted in the "additional weighted ADM," a figure reported by the Office of Special Education. This additional weighted ADM increases a district's state funding proportionally, but cannot exceed 11 percent of the district's basic state funding.

The Department of Education also provides grants in aid or support for:

- Special schools for deaf or blind children
- Education services for children who are hospitalized due to severe disability
- Education services to children who are placed by the state in long-term care or treatment facilities
- Regional services provided to children with low-incidence disabilities
- Early childhood special education provided to preschool children with disabilities from age 3 until age of eligibility for kindergarten
- Early intervention services for preschool children from birth until age 3

- Evaluation services for children with disabilities
- Students with disabilities whose out-of-state placement costs exceed the weighted ADM grant

PENNSYLVANIA

In Pennsylvania, funding for special education services is distributed both to school districts and to intermediate education units (IUs). Allocations to school districts are based primarily on each district's *average daily membership* (ADM). For 1994–95, 15 percent of each district's total ADM was funded at $1,035, and an additional 1 percent of each district's ADM was funded at $12,500.

Additional funding was provided to school districts that incurred unusually high costs in providing appropriate services and programs for their exceptional students during the 1992–93 school year. School districts reporting 1992–93 special education expenditures that were at least 150 percent of the state average special education expenditure qualified for this additional state support. Qualifying expenditures are paid to 46 of the state's 501 school districts, based on each school district's equalization aid ratio. This funding stream is to be phased out by the 1997–98 fiscal year.

The state also has a special education contingency fund set aside (1 percent of the total special education appropriation) for school districts experiencing extraordinary expenses associated with providing special education services.

Contingency funds are paid to school districts based on review and approval of specific applications submitted by them to the Department of Education.

Five percent of the state's special education appropriation ($29.5 million in 1994–95) is set aside for the state's 29 intermediate units which provide regional special education management and data services to the IU's member school districts. Two formulas distribute these funds: (1) 65 percent of the allocation is distributed based on the ADM of the member school districts; and (2) 35 percent is distributed equally to each IU as a flat grant.

An additional $21.2 million for Institutionalized Children's Program Funding was provided to 24 IUs that administered special education services and programs for students with disabilities who resided in institutional settings. Also, separate payments to ensure program and fiscal stability were made to the

state's two larger urban IUs. The payments are based on 1993–94 funding levels, and are to be phased out by the 1998–99 fiscal year.

RHODE ISLAND

Rhode Island administers a formula designed to support 100 percent of all the additional or *excess costs* incurred in educating special education students. The program (1) calculates the average costs of educating students for each district; (2) calculates the per pupil cost for educating special education students in 10 special education program placements (and for transportation and support services); (3) subtracts out the average per pupil costs and assigns those expenses to be reimbursed in operations aid; and (4) allows as reimbursable expenses the additional or excess costs that fall within 110 percent of the state median cost in that program placement for that particular year. The program uses full-time equivalents of special education students as the student count; student cost data is based on a two-year reference.

Each district's full entitlement is calculated using the process described above, and is ratably reduced if the program is not fully funded through the state budget process. In fiscal year 1994, this program was funded at 50 percent of its full amount.

SOUTH CAROLINA

South Carolina administers a *weighted pupil formula* to distribute special education aid that is tied to general education funding. A base student cost is established annually by the General Assembly with weights for special education students and for vocational programs. Also, kindergarten, primary, and high school students are weighted more heavily than are elementary pupils. Weights for special education are as follows:

- Educable mentally handicapped and Learning disabled 1.74
- Trainable mentally handicapped, Emotionally handicapped, and Orthopedically handicapped 2.04
- Visually handicapped and Hearing handicapped 2.57
- Speech handicapped 1.90
- Homebound 2.10

The formula also establishes maximum class sizes and specifies that 85 percent of funds be spent on the category of pupils generating those funds. A special appropriation from the legislature is made annually for programs for the profoundly mentally retarded.

SOUTH DAKOTA

Special education entitlements for school districts are based on a formula that reimburses districts for *allowable expenditures*. Allowable expenditures include salaries, benefits, purchased services and supplies for the following: all instructional programs, attendance and social services, health services, psychological services, speech and audiology services, preschool, improvement of instruction, other school administration, pupil transportation, other support services, cooperative special education services, planning/research/evaluation services, and out-of-district placements. The sum of these allowable expenditures are reduced by specific revenues and a calculated local effort. The "local effort" of each school district is determined by assessing $1.20 per thousand on 85 percent of the adjusted full and true valuation within the district. State aid to special education is the difference resulting from the following calculation:

Allowable expenditures less specific revenues less local effort.

If appropriated state funds are insufficient to fully (100 percent of difference) reimburse the school districts, each school district is reimbursed on a pro rata basis.

TENNESSEE

Tennessee administers a *resource-based formula* to distribute special education funds to school districts as one component of the Tennessee Basic Education Program (BEP). Using a state salary schedule, the average instructional salary for each school system is multiplied by the number of staff positions to determine total special education support. Positions are counted for special education teachers, assistants, supervisors, and assessment personnel. The

number of staff positions is determined by the number of students served in 10 different service categories, as described below:

- *Option 1*: Consulting Teacher, at least twice a month; Direct Services, less than 1 hour per week; Related Services, at least twice a month and less than 1 hour per week
- *Option 2*: Direct Instructional Services, 1–3 hours/week
- *Option 3*: Resource Program, 4–8 hours/week
- *Option 4*: Resource Program, 9–13 hours/week
- *Option 5*: Resource Program, 14–22 hours/week
- *Option 6*: Ancillary Personnel, 4 hours/day in the regular classroom
- *Option 7*: Development Class/Mainstreamed, 23 or more hours/week
- *Option 8*: Self-contained Comprehensive Development Class, 32.5 or more hours/week, including 2 related services
- *Option 9*: Residential Program, 24 hours per day
- *Option 10*: Homebound Hospital Instruction, 3 hours per week

Special education teachers are allocated to a district based on the number of special education pupils identified and served by option, as allowed by the following schedule:

- Option 1: 91
- Option 2: 73
- Option 3: 46
- Option 4: 25
- Option 5: 15
- Option 6: 2
- Option 7: 10
- Option 8: 6
- Option 9: 0
- Option 10: 10

Special education assistants are calculated at a ratio of 1 per 60 pupils identified and served in Options 5, 7, and 8. Special education supervisors are calculated at a ratio of 1 per 750 identified and served students. Special education assessment personnel are calculated at a rate of 1 per 600 identified and served students.

Very high cost students are funded under a different mechanism.

TEXAS

Texas administers a *weighted pupil formula* for distribution of special education aid as an integral part of its basic foundation school program. For each full-time equivalent student in average daily attendance in a special education program, a school district is entitled to an annual allotment equal to the adjusted basic allotment multiplied by a weighting factor according to the special education instructional program, as follows:

• Homebound	5.0
• Speech Therapy	5.0
• Resource Room	3.0
• Self-contained, mild and moderate, regular campus	3.0
• Self-contained, severe, regular campus	3.0
• Self-contained, separate campus	2.7
• Multi-district Class	2.7
• Nonpublic Day School	1.7
• Vocational Adjustment Class	2.3
• Community Class	2.7
• Mainstream	1.1
• Hospital Class	3.0
• Residential Care and Treatment	4.0

UTAH

Prior to the 1991–92 school year, Utah administered a weighted pupil formula to distribute funding for special education programs that was based on five levels of service, each of which was assigned a weight approved by the legislature and generally indicated the intensity and complexity of the services delivered.

The distribution of funds generated by this "level" formula did not vary greatly from one year to the next, but the burden associated with collecting the data necessary to calculate each district's share was considerable. Because of the lack of year-to-year variance, the legislature felt it could safely eliminate the data burden by eliminating the level formula and setting the 1989–90 school year as the base year. Essentially, each district generated a certain number of *weighted pupil units* (WPUs) under the level formula in 1989–90; this 1989–90 WPU figure became the base year figure for each district. In subsequent years, the number of 1989–90 WPUs in each district was prorated to the current year's appropriation.

A district is allotted additional WPUs if year-to-year growth rates in average daily membership (ADM) in both special education and the district as a whole exceed certain thresholds. A district's allowed growth factor is the lesser of the two ADM growth rates (special education or districtwide) multiplied by a fixed factor (1.53 for the 1994–95 school year).

A district is not allowed additional growth WPUs if the proportion of districtwide ADM identified as special education exceeds 12.18 percent.

VERMONT

Vermont administers a special education funding program that has three separate components. The first component, *mainstream block grants*, provides to school districts a portion of their "mainstream service costs." The state provides 60 percent of the average salary for:

- 3.5 FTE per 1,000 ADM for Resource Room Services and Learning Specialist Services
- 1.75 FTE per 1,000 ADM for Speech and Language Pathology Services
- 1.0 FTE per 1,500 ADM for Administrators

Towns justifying high special education counts are eligible for additional funds.

The second component of Vermont's funding program, the *extraordinary services reimbursement*, applies to individual catastrophic cases. If a district spends more than three times the elementary education foundation cost per pupil on a single child with a disability, the state reimburses the district for 90 percent of the funds in excess of three times the foundation cost ($4,020 x 3 = $12,060 for fiscal year 1993).

The third component of the funding program is the *intensive services reimbursement*, which was intended to comprise the largest state share of special education expenditures. This component provides funds to districts for all special education costs not covered by federal funds or state or local shares of block grant and extraordinary reimbursement. The percentage reimbursement received by each district is based on its ability to pay. The share level is adjusted annually to assure that the state's share across all three components of the formula equals 50 percent.

Essential early education grants, statewide itinerant services, state wards, and training grants fall outside the formula process.

VIRGINIA

Virginia administers a funding program to distribute special education aid to school districts that is additional to aid provided for the basic education program. Special education payments are made to local school divisions based upon the projected cost of employing all the personnel needed to meet Virginia's special education program standards. The number of required positions is projected for each school division by applying the maximum class size allowed for each disability category to the number of children served as reported on the December special education child count. The number of positions required to meet the standards is then converted to a cost figure by multiplying the number by the prevailing teacher salary in the state. The state's share of this cost is determined according to the locality's composite index of local ability to pay. The state share is then disbursed to the locality on a per pupil basis, based upon the total enrollment of all children in the school division. Thus, every child—with or without a disability—enrolled in school generates an amount that comprises the state's assistance for special education, and that per pupil amount is unique to the school division.

Children placed in private special education schools are funded through an interagency pool which exists to pay the state's share of the cost of services for children who are in (or at risk of) out-of-home placement by any local public agency (i.e., courts, social services, or school division). Payment is in the form of percentage reimbursement (based on a locality's ability to pay) for actual costs incurred for services purchased.

WASHINGTON

Washington administers a full cost special education funding system that combines payments for basic education and special education excess costs. The funding system is based on the assumption that the more educational delay a student has the more resources he/she will require. Underlying parameters of the Washington funding system include four educational delay/resource consumption categories for each disability category. The formula is based on certificated and classified staff formula units which are calculated for 14

disability categories using different staffing ratios for each category. A specific learning disabled (SLD) severity factor is also calculated and applied to the staff formula units. The severity factor ranges from a high of 2.71 for a district in which the SLD enrollment is less than or equal to 4 percent of the district's total enrollment, to a low of 1.00 for a district in which the SLD enrollment is greater than 15 percent of the district's total enrollment. Using the certificated and classified staff formula units, a staff mix factor and district base salary schedules, staff salaries, and fringe and insurance benefits for each district are calculated.

Nonemployee related costs (NERC) are also provided, based on the headcount enrollment in each disability category multiplied by an annually established NERC rate ($758 for 1990–91).

Finally, since funding for the basic portion of the special education program is contained within the special education formula and students with disabilities are reported both for special education aid and the basic education allocation, special education full-time equivalent (FTE) enrollment is calculated and subtracted from the basic education formula to avoid duplicate funding. Thus, for students with disabilities, basic education funds are received only for that portion of time that students are not in a special education program. The excess costs for the special education program are fully funded by the state for staff salaries and benefits, as well as nonemployee related costs, as described above.

WEST VIRGINIA

West Virginia administers its state aid for special education as an integral part of its basic state aid formula, the West Virginia Basic Foundation Program. Through this program, the state provides support to school districts for salaries of professional educators and service personnel, fixed charges, pupil transportation, administrative costs, other current expenses, and improvement of instructional programs. Aid is provided to each school district in an inverse relationship to its ability to pay for public school programs.

The aid for salaries is based on the state's minimum salary schedule up to a ceiling of 53.5 professional staff per 1,000 students and 34 service personnel per 1,000 students. For these purposes, all students are counted similarly except for pupils who are disabled, who are weighted by a factor of 3:1 and for pupils who are gifted who are weighted by a factor of 2:1. The funds generated through the

state aid formula are returned to the county school districts not earmarked; therefore, those funds received for the count of exceptional students through the formula may be expended for all students.

Additional "out-of-formula" funds are generated by a count of exceptional students reported annually by each of the county school districts at the end of the second school month. These funds may be used only for identified exceptional students who are receiving special education services at the end of the second school month. Some of the acceptable uses of the funds are for transportation, physical therapy, occupational therapy, speech therapy, salaries and fringe benefits, materials, equipment, supplies, and personnel training and travel. Each county school district must complete an annual project application describing the use of the funds.

WISCONSIN

Wisconsin administers a *percentage reimbursement formula* to distribute special education aid. School districts, cooperative educational service agencies, and county education boards are reimbursed for a percentage of approved salary, fringe benefits, and transportation costs. The reimbursement percentage is established in statute at 63 percent for special transportation, certified coordinators and directors of special education, special education teachers and teacher aides, and occupational and physical therapists. The reimbursement percentages for school psychologists and school social workers is 51 percent. If the appropriation reimbursing these costs is insufficient to cover the full amount of aid requested, the payments are prorated. The prorated reimbursement in 1990–91 was 59.3 percent of costs; for the 1991–92 school year, the prorated reimbursement of costs was 54.065 percent. The proration has decreased steadily since the inception of the 63 percent statutory provision in 1983.

Additional reimbursement provisions provide for 100 percent state funding for boarding home costs for non-resident special education students and for the cost of transporting these eligible students from their boarding home to their special education classroom. The state funding program also provides 100 percent of tuition costs for children attending such schools when these children live in children's homes or on certain categories of tax-exempt properties.

The portion of special education costs that are not reimbursed under this funding program and those costs that are not eligible for reimbursement under the program are eligible for inclusion in the state general aid equalization formula.

WYOMING

Wyoming uses a *percentage reimbursement formula* to distribute special education funds to school districts. Reimbursement is provided for 85 percent of the expenditures incurred in providing special education programs, including:

- Salaries and benefits of employees providing special education and related services
- Travel for the provision of direct services to children with disabilities
- Contracted services for the provision of special education and related services to a disabled child placed out-of-district and/or out-of-state
- Contractual services associated with assessment of children for the provision of special education and related services
- Other contracted services, including audiology, counseling, medical services, occupational therapy, parent counseling and training, physical therapy, psychological services, school health services, social work services in schools, pathology, and transportation that cannot be provided through a district's regular transportation program
- Contracts for technical assistance and program evaluation

Expenditures for instructional materials and equipment may be reimbursed up to $700 annually for each full-time equivalent (FTE) staff position that can be documented. A school district may be reimbursed up to $1,500 annually for the cost of repair and maintenance of instructional equipment.

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Appendix

Special Education Funding Contacts

Special Education Funding Contacts—CSEF State Survey, 1994–95*

State	Contact	Phone Number	Fax Number
Alabama	Barry Blackwell Coordinator Financial & Legal Support Alabama Dept. of Education 50 North Ripley Street Montgomery, AL 36130	(334) 242-8114	(334) 242-9192
Alaska	Myra Howe, Ph.D. State Special Education Director Alaska Dept. Of Education 801 W. 10th St., Suite 200 Juneau, AK 99801	(907) 465-2971	(907) 465-3396
Arizona	Gene Gardner Former Director of School Finance Arizona Dept. of Education 1535 W. Jefferson Pheonix, AZ 85007	(602) 542-3652	(602) 542-3099
California	Leo D. Sandoval State Special Education Director California Dept. Of Education 515 L Street #270 Sacramento, CA 95814	(916) 445-4729	(916) 327-3706
Colorado	Charm Paucmeno Supervisor, Data & Fiscal Section Colorado Dept. of Education 201 E. Colfax Denver, CO 80203	(303) 866-6689	(303) 866-6811
Connecticut	Robert Brewer Chief, Bureau of Grants Processing Services Connecticut Dept. of Education 165 Capitol Avenue Hartford, CT 06106-1630	(203) 566-8207	
Delaware	Martha Brooks Team Leader Exceptional Children Team Dept. of Public Instruction P.O. Box 1402 Dover, DE 19903	(302) 739-5471	(302) 739-2388
Florida	Ruth S. Jones Supervisor Data and Research Florida Dept. of Education 614 Florida Education Center Tallahassee, Fl. 32399-0400	(904) 488-1216	(904) 487-2194

* Note: This list of contacts was compiled for CSEF's 1994-95 Survey, and thus may not accurately include the names of individuals *currently* holding the indicated position.

Special Education Funding Contacts—CSEF State Survey, 1994–95* (continued)

State	Contact	Phone Number	Fax Number
Georgia	Ms. Sara G. Snyder Coordinator, Federal/Special Projects Unit Division for Exceptional Students Georgia Dept. of Education 1966 Twin Towers East Atlanta, GA 30334-5060	(404) 657-9969	(404) 651-6457
Hawaii	Dr. Margaret A. Donovan Administrator, Special Education Section Hawaii Dept. of Education 3430 Leahi Avenue Honolulu, HI 96815	(808) 733-4990	(808) 733-4841
Illinois	Gail Lieberman Illinois State Board of Education 100 N. 1st Street Springfield, IL 62777	(217) 782-3699	(217) 782-072
Indiana	Hank Binder Federal Projects Coordinator Division of Special Education Indiana Dept. of Education 229 State House Indianapolis, IN 46220	(317) 232-0570	(317) 232-589
Iowa	Dennis Dykstra Consultant Iowa Dept. of Public Instruction Grimes State Office Building Des Moines, IA 50319	(515) 281-4834	(515) 282-6019
Kansas	Carol Dermyer Coordinator Special Education Outcomes Kansas State Board of Education 120 East 10th Avenue Topeka, KS 66612-1182	(913) 296-7454	(913) 296-1413
Kentucky	Chris Thacker Program Consultant Kentucky Dept. of Education Exceptional Children's Services 500 Mero Street, Room 817 Frankfort, KY 40601	(502) 564-4970	(502) 564-6721
Louisiana	Marlyn Langley Deputy Superintendent Management and Finance Louisiana Dept. of Education P.O. Box 94064 Baton Rouge, LA 70804-9064	(504) 342-3617	(504) 342-3709

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Special Education Funding Contacts—CSEF State Survey, 1994–95* (continued)

State	Contact	Phone Number	Fax Number
Maine	John T. Kiestead Coordinator, Special Education Maine Dept. of Education State House, #23 Augusta, ME 04330	(207) 287-5950	(207) 287-5900
Maryland	Brian Rice Chief, Program and Finance Coordination Unit Maryland State Department of Education 200 W. Baltimore Street Baltimore, MD 21201	(410) 767-0528	(410) 333-8165
Massachusetts	Marcia Mittenacht Executive Director Massachusetts Dept. of Education Educational Improvement Group 350 Main Street Malden, MA 02148-5023	(617) 388-3300	
Michigan	Jan M. Baxter, Ph.D. Supervisor, Management Information and Finance Program Michigan Dept. of Education Office of Special Education P.O. BOX 30008 Lansing, MI 48909	(517) 373-8215	(517) 373-7504
Minnesota	Robert Fischer	(612) 296-4164	(612) 297-7368
	Wayne Erickson Director, Office of Special Education 812 Capitol Square Building 550 Cedar Street St. Paul, MN 55101	(612) 296-1793	(612) 297-7368
Mississippi	Carolyn Black Bureau Director Bureau of Special Services State Department of Education P.O. Box 771 Jackson, MS 39205-0771		(601) 359-2326
Missouri	M.E. Brewer Director Dept. of Elementary and Secondary Education P.O. Box 480 Jefferson City, MO 65102	(314) 751-4385	(314) 526-4404

Special Education Funding Contacts—CSEF State Survey, 1994–95* (continued)

State	Contact	Phone Number	Fax Number
Montana	Robert Runkel Director, Special Education Office of Public Instruction State Capitol, Room 106 P.O. Box 202501 Helena, MT 59620-2501	(406) 444-4429	(406) 444-3924
Nebraska	Don Anderson Administrator Nebraska Dept. of Education 301 Centennial Mall South Lincoln, NE 68509	(402) 471-2471	(402) 471-0117
Nevada	Ann Marek Supervising Consultant Nevada Dept. of Education 700 E. 5th Street Carson City, NV 89710	(702) 687-3140	(702) 687-6598
New Hampshire	Robert Kennedy Administrator Division of Educational Improvement New Hampshire Dept. of Education 101 Pleasant Street Concord, NH 03301	(603) 271-6051	(603) 271-1953
New Jersey	Mari Molenaar Senior Research Analyst New Jersey Dept. of Education Office of Special Education Programs CN 500 Trenton, NJ 08625	(609) 633-6972	(609) 984-8422
New Mexico	Diego D. Gallegos Director Special Education Department of Education 300 Don Gaspar Ave. Santa Fe, NM 87501-2786	(505) 827-6541	(505) 827-6791
New York	Thomas B. Neveldine Executive Coordinator New York State Education Dept. Office for Special Education Services 1 Commerce Plaza, Rm 1624 Albany, NY 12234	(518) 486-7584	(518) 473-5387

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Special Education Funding Contacts—CSEF State Survey, 1994–95* (continued)

State	Contact	Phone Number	Fax Number
North Carolina	James L. Barden Federal Program Coordinator Dept. of Public Instruction 301 N. Wilmington Street Raleigh, NC 27601	(919) 755-1596	(919) 755-1569
North Dakota	Gary Gronberg Dept. of Public Instruction 600 E. Boulevard Bismarck, ND 58505-0440	(701) 328-2277	(701) 328-2461
Ohio	George M. Khoury Educational Consultant Ohio Dept. of Education 933 High Street Worthington, OH 43085	(614) 466-2650	(614) 728-1097
Oklahoma	Tom Pickens Executive Director of State Aid State Dept. of Education 2500 N. Lincoln Blvd. Oklahoma City, OK 73105	(405) 521-3460	
Oregon	Karen Brazeau Oregon Dept. of Education 255 Capitol Street NE Salem, OR 97310	(503) 378-3598	
Pennsylvania	Michele DeSara Former State Director of Special Education 4540 Londonberry B119 Harrisburg, PA 17109	(717) 671-9053	(717) 671-9053
Rhode Island	Celeste Bilotti Specialist, State Aid Programs Rhode Island Dept. of Education 22 Hayes Street Providence, RI 02908	(401) 277-4600 ext. 2420	(401) 277-2823
South Carolina	Ora Spann State Director Office of Programs for Exceptional Children State Dept. of Education, Room 505 Rutledge Building, 1429 Senate Columbia, SC 29201	(803) 734-8806	(803) 734-4824
South Dakota	Susan Ryan School Finance Consultant Office of Finance and Management Dept. of Education and Cultural Affairs 700 Governors Dr. Pierre, SD 57501	(605) 773-4748	(605) 773-6139

Special Education Funding Contacts—CSEF State Survey, 1994–95* (continued)

State	Contact	Phone Number	Fax Number
Tennessee	Gloria Matta Director of Management Services Tennessee Dept. of Education 710 James Robertson Parkway 8th Floor, Gateway Plaza Nashville, TN 37243-0380	(615) 741-7796	(615) 532-9412
Texas	Carol A. Edwards Director of Programs I Texas Education Agency 1701 North Congress Austin, TX 78701	(512) 463-9362	(512) 463-9560
Utah	Les Haley Educational Specialist Finance and Data Management Utah State Office of Education 250 East 500 South Salt Lake City, UT 84111	(801) 538-7714	(801) 538-7991
Vermont	Margaret Schelley Budget Coordination Dept. of Education 120 State Stret Montpelier, VT 05620-2501	(802) 828-5119	(802) 828-3140
Virginia	John Mitchell Associate Director, Office of Special Education Services Virginia Dept. of Education P.O. Box 2120 Richmond, VA 23216-2120	(804) 225-2704	(804) 371-8796
Washington	Wayne Johnson Supervisor Special Education Finance Office of State Public Instruction P.O. Box 47200 Olympia, WA 98504	(360) 753-6733	(360) 586-0247
West Virginia	Laura Craffey Maddox Assistant Director Office of Special Education West Virginia Dept. of Education 1900 Kanawha Blvd. Charleston, WV 25305	(304) 558-2696	(304) 558-0048

Special Education Funding Contacts—CSEF State Survey, 1994–95* (continued)

State	Contact	Phone Number	Fax Number
Wisconsin	Paul Halverson Director Divisionwide Budget & Data Management Dept. of Public Instruction, P.O. Box 7841 Madison, WI 53707	(608) 266-1781	(608) 267-3746
Wyoming	Sharon Davam Wyoming Dept. of Education Hathaway Building, 2nd Floor 2300 Capitol Avenue Cheyenne, WY 82002-0050	(307) 777-7417	(307) 777-6234